

NEWS: INTERNATIONAL

Mad cow inquiry threatens ultimate sanction against Commission 'incompetence'

Euro-MPs prime their nuclear weapon

By Neil Buckley
in Strasbourg

Who won? Was it the European Parliament, which this week gave European commissioners nine months to revamp their food and health policies - to prevent any future 'mad cow' style crises - or face dismissal?

Or was it the commissioners, who granted minimal concessions to parliament but successfully warded off a censure motion on Thursday to have all 20 commissioners dismissed immediately?

Both sides can look on the outcome with some satisfaction. But whether the week's shenanigans did much for EU democracy, or indeed, the protection of EU consumers, is another question.

The 'conditional' censure that parliament imposed on the Commission marks another important step towards political maturity for the European assembly.

Parliament successfully harnessed powers given to it by the 1991 Maastricht Treaty to probe maladministration in other institutions. Its six-month inquiry not only produced a hard-hitting report, but forced the Commission to make changes which, Brussels insiders admit, it would never otherwise have been made.

It also found a neat way of using its only permitted sanction against the Commission, the so-called 'nuclear weapon' of a censure motion to dismiss all 20 commissioners.

Instead of pressing the button, it summoned 422 votes - two-thirds of the entire assembly - to back a threat to unleash its missile in November if the Commis-



Commission president Jacques Santer, right, and farm commissioner Franz Fischler speaking after MEPs decided against dismissing them and the 18 other Commission members in a protest over the handling of the mad cow crisis

sion did not meet its demands.

"A successful censure now would simply lead to an institutional crisis which would last for months and do nothing to strengthen public health or consumer protection," said Mrs Pauline Green, leader of the Socialist group, the biggest in parliament. She reflected the widespread view which led to Thursday's immediate censure of the Commission being defeated.

But the delayed censure threat delivered a rather more compliant Mr Jacques Santer before the Strasbourg chamber this week than the Commission president who addressed the beef inquiry last month.

"We were astonished by

Mr Santer's speech," said Mr Paul Lannoye, a Belgian Green. "It went far beyond what we hoped for."

The Commission president promised:

● To transfer responsibility for human health from Mr Franz Fischler, agriculture commissioner, to Ms Emma Bonino, consumer policy commissioner.

● To reverse food and health policies, giving Ms Bonino extra resources.

● To press in the inter-governmental conference on EU reform to give parliament an enhanced role in agricultural and veterinary matters, and for new EU-wide powers to strengthen health protection.

● "Revolutionary" reform of the Common Agricultural Policy to promote natural farming methods and environmental protection.

Some MEPs fear the Commission's image as an unaccountable bureaucracy may only be strengthened by this week's events.

Moreover, Mr Santer's promises are not everything they seem. Those most cherished by parliament - the right of 'co-decision' with EU ministers in agricultural matters, and creation of an EU equivalent of the US Food and Drug Administration - are not in his gift.

EU ministers must agree and, so far, they don't.

But the biggest weakness exposed was parliament's lack of sanctions against member states.

Despite the detailed rebuttal of some points by the UK government, parliament's report identified the

Junk mail bid to boost Greek privatisation

By Kerin Hope in Athens

Greek phone bills next month will include a leaflet explaining how the stock market works and encouraging individuals to become investors.

The campaign by the state-owned Athens Stock Exchange to boost the number of small shareholders comes after a surge in share prices and several new issues by public sector corporations selling part of their equity to the public.

"It's the right moment to bring new investors into the market," says Prof Manolis Xanthakis, the exchange chairman. "The government is keen to create a class of small shareholders and there are several large issues planned this year by utilities and the state banks. Of course, our advertising will set out the risks of entering the market."

OTE, Greece's state-controlled telecoms company, is accustomed to footling the postage bill for public service advertising to its 4.9m subscribers.

Previous mailshots have appealed to households to consume more olive oil and have given advice on how to avoid injury when an earthquake strikes.

The telephone company should welcome the stock exchange campaign, Prof Xanthakis says, because it is planning to float a second equity tranche in the summer and may launch a rights issue as well.

When OTE became the

Clash with investigators over campaign fundraising documents

Clinton aides defy Congress

By Gerard Baker
in Washington

Two central figures in the controversy over fundraising by the US Democratic party yesterday refused to hand over documents to a congressional committee investigating the alleged improprieties.

Mr Webster Hubbell, a friend of President Bill Clinton and Mr John Huang, a leading Democratic party fundraiser, both claimed privileges under the fifth amendment of the US constitution protecting them from self-incrimination.

Mr Hubbell, a former assistant attorney-general in the Clinton administration, was convicted of tax evasion and mail fraud two years ago.

The House committee had demanded he produce documents about payments he received from a wealthy supporter of the president while Mr Hubbell was being investigated by the Justice Department.

Mr Hubbell is also a former law partner of Mrs Hillary Clinton. He continues to be investigated by prosecutors over his role in the Whitewater case, in which several other associates of the Clintons have already been convicted of fraud. Mr Huang was a Commerce Department official and prominent fundraiser for the Democrats among Asian-Americans.

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IMF delays Russian funding

By Chrystia Freeland
in Moscow and Gerard Baker
in Washington

An International Monetary Fund mission left Moscow yesterday without recommending payment of the monthly tranche of the Fund's \$10.2bn loan to Russia - a decision which effectively means a delay in payment.

They refused to comply with a subpoena from the House of Representatives' government reform and oversight committee to hand over documents of possible

use to the committee's investigation.

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DM1bn extra municipal credits ■ Retailers to buy more from the east

Bonn acts to boost eastern economy

By Peter Norman in Bonn

The German government yesterday announced two initiatives to support eastern Germany's struggling economy.

The move will help defuse unrest among 65 east German members of Chancellor Helmut Kohl's Christian Democratic Union who have been demanding more help for the region.

To bolster municipal investment, Mr Theo Waigel, the finance minister, said Kreditanstalt für Wiederaufbau (KfW), the federal government's investment bank, would increase a programme of long-term infrastructure credits for east German local authorities to DM3bn

(\$1.7bn) from DM2bn. Separately, east German consumer goods manufacturers were promised a stronger market for their products in German shops following the intervention of Mr Kohl.

After a meeting late on Thursday between the chancellor and senior retail trade executives, the government announced that leading retail companies had agreed to increase their purchases of east German consumer goods to double the 1995 level by 1998.

Bonn also pledged to support a new trade fair for east German consumer goods in the hope that the region could lift its share of consumer goods output from the current 7 per cent to a level

more in line with east Germany's 19 per cent share of the population.

Mr Waigel's plan for more KfW credits came in response to demands by east German CDU MPs for DM500m to compensate the municipalities for value added tax revenues that they had expected to receive but which have been blocked because of a parliamentary stalemate in Bonn. The credits, which run for 30 years, have a fixed 3.8 per cent rate of interest for the first 10 years.

Finance ministry officials dismissed suggestions that the increased lending programme into the alleged competitive advantages enjoyed by Germany's publicly owned Lan-

eral budget and so reduce the risk that Germany's public deficit this year might exceed the limit of 3 per cent of gross domestic product for economic and monetary union.

Officials at KfW in turn said that the infrastructure programme ran no risk of running foul of the European Commission's campaign against unfair government subsidies because the funds were being provided by the bank and would not distort competition. They also saw no risk that the lending programme would embroil the KfW in the Commission's investigations into the alleged competitive advantages enjoyed by Germany's publicly owned Lan-

eral budget and so reduce the risk that Germany's public deficit this year might exceed the limit of 3 per cent of gross domestic product for economic and monetary union.

The resolution was supported by all parties and passed to show the Commission that a strong political consensus in Germany supported the Landsbanks and savings banks and rejected the idea that they were operating illegally under EU law.

INTERNATIONAL NEWS DIGEST

Delay to Crédit Lyonnais plan

The French government yesterday postponed the submission of its restructuring plan for Crédit Lyonnais, the troubled state-owned bank, until the end of May. Mr Jean Arthuis, finance and economics minister, said final proposals due to be handed to European Commission competition authorities in Brussels yesterday would not be ready until the end of March.

Government officials had aimed to have the plan completed this month, but Mr Arthuis said as a result of contact with Mr Karel Van Miert, the competition commissioner, the government would introduce "some corrections and additional information" to the plan, designed to provide final aid ahead of privatisation. He said the sell-off would take place at the end of 1998 or in 1999.

An estimate by the European Commission itself placed the total potential cost of new state aid at up to FF100bn (\$5.3bn). That includes a recapitalisation to improve its solvency ratio of FF50bn to FF110bn. It also includes FF150m-FF200m to cover the estimated losses from assets formerly owned by the bank and now being sold off.

Andrew Jack, Paris

Boost for Spain's Emu bid

Spain's centre-right Popular party government yesterday stepped up its bid to qualify for monetary union with a swathe of deregulatory measures that aimed to spur economic activity through lowered prices and job creation.

Economy minister Mr Rodrigo Rato said the "broad and ambitious liberalisation package" constituted the "best guarantee", together with budgetary discipline, for Spain's inclusion among the first wave of EU nations setting up the single currency in 1999. New initiatives included a citizen's charter to cut bureaucratic red tape, increased prerogatives and resources for the competition tribunal and creation of a new body to draw up plans for corporate governance in big business. Tom Burns, Madrid

Korea groups in Oman deal

A consortium of five big Korean companies yesterday bought into the \$2bn Oman liquefied natural gas project, which is due on stream in early 2000. Korea LNG, which includes Korea Gas Corporation, Samsung, Hyundai, Daewoo and Yukong, bought a 5 per cent stake in the project from Shell, the Anglo-Dutch oil group, for an undisclosed amount. Shell, which discovered the gas reserves in central Oman, has been left with a 30 per cent share.

The government of Oman has a 50 per cent stake. It is the first time Korean industrial companies have bought into an LNG project at such an early stage. Robert Corrigan

Japan's recovery continues

Further evidence of a mild Japanese economic recovery emerged yesterday, in the form of a positive showing by a basket of economic indicators for the fourth month in a row. The government's Economic Planning Agency said its leading diffusion index, pointing to conditions several months ahead, stood at 70 per cent in December, the fourth month at which it had stayed above the 50 per cent line between expansion and contraction. This nevertheless marked a slight worsening in conditions from November's 80 per cent. William Dawkins, Tokyo

Israel settlements warning

France and Jordan have warned Israel against construction of a Jewish settlement in Har Homa, east Jerusalem, joining criticism from the US and UK to plans by Mr Benjamin Netanyahu, Israeli prime minister, to expand settlements in the east of the city. King Hussein (left), who along with Washington helped forge the Israeli troop withdrawal from the West Bank city of Hebron last month, said any construction projects in Jerusalem could pre-empt Israel's future. Judy Dempsey, Jerusalem

Orders for Boeing, Ilyushin

Russian airline Transaero yesterday said US aircraft-maker Boeing and Russia's Ilyushin had jointly won a tender to supply new aircraft, in a deal which should help Russia's ailing domestic aerospace industry. Transaero will buy a yet undetermined number of Boeing 737, Boeing 767, and Ilyushin 96MT aircraft. The order would be "in the tens of each type," said Transaero general director Mr Alexander Pleshakov. Ilyushin has granted \$1.1bn in credits to Ilyushin to finance purchase of US-made equipment for construction of the new II 96MT aircraft. The EBRD supplied an additional \$450m. Charles Clover, Moscow

There are also those in the US who are worried about the cost of the deal. "We are not sure if it is the right time to invest in Ilyushin," says a source. "Why should we do it? He might have to go for the economy." The deal is being finalized by the two companies. "It is a good deal for Ilyushin," says a source. "It will help the company to expand its market share in the region." The deal is expected to be completed in the next few months. "We are not sure if it is the right time to invest in Ilyushin," says a source. "Why should we do it? He might have to go for the economy." The deal is being finalized by the two companies. "It is a good deal for Ilyushin," says a source. "It will help the company to expand its market share in the region." The deal is expected to be completed in the next few months. "We are not sure if it is the right time to invest in Ilyushin," says a source. "Why should we do it? He might have to go for the economy." The deal is being finalized by the two companies. "It is a good deal for Ilyushin," says a source. "It will help the company to expand its market share in the region." The deal is expected to be completed in the next few months. "We are not sure if it is the right time to invest in Ilyushin," says a source. "Why should we do it? He might have to go for the economy." The deal is being finalized by the two companies. "It is a good deal for Ilyushin," says a source. "It will help the company to expand its market share in the region." The deal is expected to be completed in the next few months. "We are not sure if it is the right time to invest in Ilyushin," says a source. "Why should we do it? He might have to go for the economy." The deal is being finalized by the two companies. "It is a good deal for Ilyushin," says a source. "It will help the company to expand its market share in the region." The deal is expected to be completed in the next few months. "We are not sure if it is the right time to invest in Ilyushin," says a source. "Why should we do it? He might have to go for the economy." The deal is being finalized by the two companies. "It is a good deal for Ilyushin," says a source. "It will help the company to expand its market share in the region." The deal is expected to be completed in the next few months. "We are not sure if it is the right time to invest in Ilyushin," says a source. "Why should we do it? He might have to go for the economy." The deal is being finalized by the two companies. "It is a good deal for Ilyushin," says a source. "It will help the company to expand its market share in the region." The deal is expected to be completed in the

Delay to C...
Lyonnais pl...Shanghai
gang
looking
to call
the shotsBy James Harding
in Shanghai

Miss Wang, who serves behind the cosmetics counter at Shanghai's No 1 Department Store, has had a typically busy couple of days. "People need to buy moisturiser. They couldn't care much if Deng Xiaoping has passed away."

It is an eloquent expression of how local residents have embraced the consumerism fostered by Deng's economic reforms, but how little they have mourned the man. On the Nanjing road, China's busiest retail strip and a garish example of how Deng's "market socialism" transformed a monochrome landscape of state-run stores into a consumer metropolis, people were cheerfully opening for business. "It may be an important day for history," said a shoe shop owner, "but it is a normal business day for me."

The contrast with the mood and reaction of people when the other titans of communist China, Mao Zedong and Zhou Enlai, died could not be starker.

When Zhou passed away in January 1976, Beijing was silenced by grief. In the months that passed, citizens were first dismayed by the inadequate ceremony that marked his death and then angered by the politicking of his successors. By the time of the Chinese festival of homage to deceased ancestors in April, thousands of people gathered in Tiananmen Square with wreaths, banners, poems and placards to pay their respects to Zhou.

Hysteria gripped China when Mao died. More than 300,000 people filed past his coffin in the Great Hall of the People, and factories across the country closed to hold their own funeral ceremonies - a mass outpouring of emotion, in some cases genuine in others orchestrated by the party.

There will be no lying in state for Deng, "who abhorred the communist predilection for personality cults, and the equanimity with which Shanghai has met his death in part a tribute to a ruler who shunned China's corrosive, imperial pomp."

"Deng was an old statesman. He has died. When Zhou Enlai and Mao Zedong passed away, you felt like you had lost your mother and father," remembered Mr Hu, a retired electrician in People's Square yesterday. Around him, others were enjoying perfect spring weather.

But there are darker reasons for Shanghai's composure. "Why should we be sad? He might have been good for the economy, but he butchered the students in Beijing," said one young graduate, echoing the widely held view that Deng's reputation was irretrievably tarnished by the bloody decision to turn the military on student protesters in Tiananmen Square in 1989.

There are also those still smarting from a perceived snub to Shanghai. "Why did he choose to develop Shenzhen first and make us wait until 1990? If he had started in Shanghai, the real financial centre, we would be 10 times richer," complained one stockbroker.

Now Deng has gone, locals are hoping the next generation of leaders - President Jiang Zemin and Vice-Premier Zhai Rongji and Wu Bangguo, all previously mayors of Shanghai - will emerge from the old man's shadow. As the confident broker put it: "Comrade Deng has died. Now the Shanghai gang will really start calling the shots."

Editorial Comment, Page 8.



Kim Hyun-chul, President Kim Young-sam's second son, arrives at the Seoul prosecution office for questioning

NEWS: INTERNATIONAL

Shadowy Kim enters Hanbo loans scandal arena all guns firing

Spotlight hits president's son

The appearance yesterday of Mr Kim Hyun-chul, son of South Korea's president, before prosecutors investigating the Hanbo loan scandal, has thrown the spotlight on one of the nation's most discussed, but shadowy, figures.

Officially, Mr Kim has

been doing nothing more than studying for a doctorate in business administration at Korea University ever since his father became president in early 1993. He also recently became head of the local chapter of the UN Youth Association.

But the 37-year-old second son of President Kim Young-sam, has been subject of much gossip among politicians and businessmen about his political influence and financial dealings. His reputation as his father's closest adviser has earned him the nickname of "crown prince" or the "vice president" in a nation that does not have one.

His influence extends from

selecting key personnel,

including the defence minister and the head of the spy agency, to shaping business and finance policy. Ms Shin Nak-kyun, an opposition MP, told parliament recently.

The uncertainty is whether the stories told about Mr Kim are true.

"Hardly anyone says a good word about him, but whether the allegations against him are true is another matter," said a western diplomat. "There is lots and lots of smoke, but we still can't see the fire."

said a senior banker.

The Korean press has normally shied away from reporting on Mr Kim because of his litigious nature. In 1995, he successfully sued for libel one local newspaper after it alleged he received illegal contributions for his father's presidential campaign in 1992. Mr Kim threatened libel suits against the Los Angeles Times and Le Monde when they published similar allegations.

But the Korean media has declared open season on Mr Kim with the bribes-for-loan scandal involving Hanbo Steel, which collapsed recently. Opposition politicians say Hanbo made big contributions to the president's 1992 campaign. In return, they allege, his son pressed state-run Korea Development Bank to give Hanbo loans.

Questions have also been

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larity to drop markedly.

North Korea yesterday said it would attend a briefing on proposed peace talks to end the 1950-53 Korean war, writes John Burton. The session, in New York on March 5, marks the first time in more than two years that North and South Korea will hold official contacts, heralding a possible improvement in relations. The US and South Korea last year proposed four-party peace talks, to include China, in an effort to promote stability on the Korean peninsula.

The recent announcement by the US and South Korea that they would contribute a total of \$16m to a UN appeal for North Korean food relief persuaded Pyongyang to attend the session.

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Mr Kim to Hanbo is the recent discovery in a company warehouse of 10,000 copies of a book he has written. The opposition claimed this proved that Hanbo was indirectly subsidising Mr Kim by purchasing his book.

Mr Jay Yoo, an opposition MP, said Mr Kim's alleged involvement with Hanbo is more a "moral and ethical" issue than a legal one. "It has engaged in influence peddling, it is wrong."

The latest libel suit has provoked questions about how he has financed his legal battles. Mr Kim "has no official post and no particular profession and no source of income," said Mr Park Moo-jong, of the Korea Times.

Even if he wins his libel suit, Mr Kim appears to have lost the battle in the court of public opinion. Rightly or wrongly "his son is the Achilles' heel for President Kim," as one magazine put it.

John Burton

Oman breaks new ground with \$200m eurobond

By Rous Khalaf in London

Oman is to become the first Arab Gulf state to tap international debt markets with a \$200m five-year eurobond issue now being marketed by J.P. Morgan, according to city bankers.

The fixed rate issue is aimed at raising the country's profile among international investors at a time of huge investment needs. It will set a benchmark for local

private sector companies to raise funds on international capital markets.

With the energy sector accounting for more than 40 per cent of gross domestic product and 80 per cent of government revenues, the small oil producer has been committed to reducing its dependence on oil by promoting private sector development.

Multi-billion dollar export-oriented investment projects are

planned, including the exploitation of natural gas reserves through the construction of a huge liquefied natural gas export facility, expected to be running by the year 2000. Petrochemical, aluminium and fertiliser schemes are also under way.

At current rates of production of about 880,000 barrels per day, Oman's oil reserves are estimated to last for another 16 years. Its ambitious diversification plans,

dubbed Vision 2020, aim to reduce the oil sector's contribution to GDP to 10 per cent, while gas will account for another 9 per cent.

Oman has enjoyed an average growth rate of 6 per cent between 1991 and 1996, according to research by J.P. Morgan. But between 1991 and 1995 it ran fiscal deficits of about 9 per cent of GDP a year. Meanwhile, balance of payments deficits in the past three years have been financed by draw-

ing down on foreign assets. To

finance its investment needs, economists say Oman will need to increase savings, domestically and from abroad.

According to city bankers the eurobond issue should carry a tight spread of between 65 and 75 basis points over US Treasuries. It will mark the first rated sovereign issue in the Arab world. Both Moody's and Standard & Poor's have assigned Oman an investment grade rating.

Oman imposes a ceiling on government borrowing and the funds from the eurobond issue are

expected to be used to retire more expensive debt. At the end of 1996

public debt stood at OR375m (\$975m) and external debt at about OR1bn, nearly reaching the ceiling of OR1.5bn, or 26 per cent of GDP. Debt payment last year was

a manageable 11 per cent of exports.

Zeroval ally forms party ahead of poll

Move highlights break-up of Algeria's former ruling party

By Rous Khalaf

An ally of Algerian President Liamine Zeroual yesterday announced the formation of a political party ahead of legislative elections in May or June.

Mr Abdelkader Bensalah, who heads the government-appointed National Transitional Council (NTC), said his new party, the National Democratic Rally, would draw support from union, veteran, peasant and women's associations. These organisations supported Mr Zeroual in 1995 presidential elections.

Mr Bensalah stepped in to head the party after the murder last month of Mr Abdellah Benhamouda, leader of Algeria's main union. Mr Benhamouda, also a Zeroual ally, had made public his plans to start a new party.

The emergence of a "presidential" party is a clear sign of the disintegration of the National Liberation Front (FLN), the former ruling party which went into opposition in 1992, when elections of the Islamic Salvation Front (FIS) were about to win were cancelled by the army.

The National Democratic Rally, by drawing on pro-Zeroual associations, aims to strip the FLN of much of its support. The FLN is already split between the pro-government leadership and the more respected anti-government reformist wing.

The new party is also designed as a counter-weight to Hamas, the legal Islamist party which the government assumes will attract many former FIS supporters. The FIS, banned since 1992, is excluded from the upcoming elections.

Hamas, considered a moderate Islamist party, has maintained an often cozy relationship with the army-backed government and is expected to emerge as a leading contender in the elections. Hamas' candidate won 25 per cent of the vote in the 1995 presidential elections, on the strength of FIS support.

Hamas and Nahda, the other legal Islamist party, have been given two months to conform to Algeria's new laws, which aim to ban the use of religion in politics. The parties will have to strip any mention of religion from their titles and political programmes.

After November's constitutional amendments diluted the powers of the next parliament, the NTC last week adopted a more restrictive law governing political parties and backed a voting system based on proportional representation.

The measures are aimed at preventing a repeat of the first round of legislative elections in 1991 which saw the FIS poised to control the national assembly under the majority voting system. The army's cancellation of the second round of polling plunged the country into a cycle of violence which has claimed more than 50,000 lives.

As the elections approach, the government has stepped up its campaign to root out Islamic militants. Criticised by Algerians for failing to prevent the recent wave of massacres and blasts blamed on FIS splinter groups, the army offensive has already led to 200 militants being killed this month, according to press reports.

Fillip for HK pensioners

By John Riddings
in Hong Kong

Hong Kong legislators yesterday gave a new lease of life to the proposed compulsory pension scheme, voting to approve a further HK\$25m (US\$3m) in funding for the agency drawing up the scheme.

The vote had become a test of political backing for the so-called Mandatory Provident Fund (MPF). The government has pushed the scheme, to provide for the

territory's ageing population and to stimulate its fund management sector.

According to official estimates, the MPF will generate an additional HK\$200m annually for Hong Kong's pensions industry. Staff will contribute 5 per cent of their salaries, a sum matched by their employer, while assets will be managed by the private sector.

Yesterday's funding approval provides for another 13 months of operation for the MPF office. Ms

Pamela Tan, MPF director, said the aim was to submit legislation as early as April to allow legislators time to scrutinise proposals.

The vote maintains momentum in the MPF, but the scheme still faces a race against time. With the existing legislature set to be replaced by a Beijing-backed body when the territory returns to Chinese sovereignty on July 1, failure to reach consensus on the hills before the handover could lead to hiatus and delay.

How to SP... it

Why are the impossibly haughty sales assistants in Manhattan's temple of chic finally showing signs of warmth? Where can you have your portrait painted without losing face (and for under £400)? Why should you take your time when choosing a wristwatch? And which lesser-known breeds of South African game park offer the true bush experience? Find out on Saturday, March 1, in the Financial Times' how to spend it colour magazine.

NEWS: UK

Ministers postpone legislation on euro

By Lionel Barber in Brussels and John Kampfner

The UK government, fearful of antagonising Conservative Eurosceptics, has abandoned efforts to pass legislation on the legal status of the euro until after the general election.

The move will disappoint the City of London, which sees the legislation as crucial for ending uncertainty about trading and issuing contracts denominated in the single European currency.

Government officials acknowledged last night that the decision had been taken by cabinet and

party business managers to prevent a split among Conservative MPs so close to the election.

"You can draw your own conclusions why it had to be done this way," said an official. "It would not have been much fun getting this through."

The legislation specifies the one-for-one rate for converting European currency units (Ecu's) into euro and secures the continuity of contracts — such as bonds and derivatives — after the planned launch of the single currency in 1999.

The UK government agreed a legal text at the European Union

summit in Dublin last December, but retained a parliamentary reserve over it. Without a House of Commons vote, the legislation cannot go forward to the Council of Ministers in Brussels and become EU law.

"The reserve will be lifted early in the new parliament," said an aide of Mr Kenneth Clarke, the UK's chief finance minister. "Given that the text has been agreed, a delay should not cause any uncertainty."

Mr Clarke has informed Mr Yves-Thibault de Silguy, French commissioner for monetary affairs, that the government would not be

able to lift its parliamentary reserve until after the election, expected on May 1.

Mr Clarke pledged to secure passage after the election and before the EU summit in Amsterdam in mid-June, which is also meant to wrap up the Maastricht treaty review conference.

In Amsterdam, EU leaders are also supposed to agree on the operation of a reformed European exchange rate mechanism.

Mr Tim Sweeney, director-general of the British Bankers Association, said the City had led lobbying efforts in Brussels to clarify the legal status of the euro. "Anything

which limits uncertainty is good for bankers," he said.

Mr John Redwood, one of the Conservative Eurosceptics' main challengers for the party leadership in the event of a general election defeat, welcomed the delay. "Britain should be using all her veto power on matters relating to a single currency to put some common sense into her partners."

The delay in a vote on the legal text is an attempt to avoid a repeat of a row last December, when Eurosceptics forced the government to hold a full Commons debate on documents relating to the terms of the stability pact.

UK NEWS DIGEST

Freed trio were 'falsely accused'

Three men who served 18 years in prison for the murder of Carl Bridgewater, a newspaper delivery boy, in 1978 were released by the Court of Appeal yesterday after it was accepted that police had almost certainly forged a vital statement to secure their conviction.

The release of Mr James Robinson, Mr Vincent Hickey and Mr Michael Hickey ends a lengthy public campaign to have the convictions overturned. This is the latest in a number of high-profile miscarriages of justice cases, which include those of the individuals freed after being falsely accused of the Birmingham and Guildford pub bombings in the 1970s.

Tests indicated two police officers had forged a statement supposedly made by Mr Vincent Hickey which was used to persuade Mr Molloy to confess, the court heard. The men's convictions are expected to be quashed after a full appeal hearing in April. They were yesterday released from prison on bail.

Carl was shot while delivering a newspaper to a farmhouse. At the men's trial, it was alleged one had shot him because he had interrupted their attempt to burglarise the house.

John Mason

Liberal Democrat opposition campaigns on small budget

Motorised poster takes to the road

By George Parker, Political Correspondent

The Liberal Democrats, the UK's second largest opposition party, yesterday unveiled their national advertising campaign for the general election — a single poster on the side of a truck.

The motorised billboard set out on a tour of marginal seats in London before embarking on a vote-winning mission up the M40 motorway: the rented vehicle had to be back at its depot in Oxford, about 80km from London, by 8pm.

Liberal Democrat chiefs admitted the one-day poster tour, which cost the party £2,000 (£3240), is the nearest they will come to a national advertising campaign in the run-up to the election.

With only £1.25m left in the campaign kitty, the party cannot afford any fixed poster sites — nor will it be able to advertise in the national media. Instead, the Liberal Democrats will focus their cash on wooing voters in about 50 target seats, many of them in the south of England.

"The campaign will be mean and lean," said Lord



Let me in: Paddy Ashdown campaigning with the £2,000 mobile poster in London yesterday

Holme, who heads the party's general election team. "We think the slick marketing techniques of the other parties will alienate voters."

Yesterday's advertisement is typical of the low-cost election strategy being pursued by the Liberal Democrats.

While the Conservative election campaign is bankrolled by corporate donations and Labour, the main opposition party, can count on the support of trade unions, the Liberal Democrats have to rely mainly on individual contributions.

Lord Holme said the party had about £2.5m in its national campaign kitty, but

around half of that had already been spent on preparing the ground in its top target seats.

The remaining fund is tiny compared with that available to the other parties.

The Conservative party is thought to be spending £5m on one set of advertisements alone, with a "lion" theme, and Labour is expected to mount a similarly lavish campaign.

Meanwhile, Labour's hopes of securing a pre-election deal with the Liberal Democrats on constitutional reform looked in doubt yesterday after Mr Paddy Ashdown warned that the talks might have to be adjourned

until after polling day. The Liberal Democrat leader believes the cross-party talks have failed to make sufficient progress.

Labour wants a deal in the next few weeks, to clear the way for the smooth passage of its sweeping package of constitutional reforms if it wins the election. Mr Robin Cook, Labour's spokesman on foreign affairs, said a week ago that a conclusion to the talks was "within sight".

But senior Liberal Democrats are less confident a deal can be struck, particularly as Labour has made no obvious concessions on the question of electoral reform.

Binder's partners settle out of court

By Jim Kelly, Accountancy Correspondent

About 150 former partners of BDO Binder Hamlyn, the UK accountancy firm, have agreed an out-of-court settlement of \$36.1m with ADT, the US-based security firm, it was announced yesterday.

The settlement is one of the largest ever reached with a UK firm but is far less than the £265m — £165m with interest and costs — awarded by a High Court judge when the case was brought by ADT in 1995.

The partners had planned to fight that judgment at the Court of Appeal later this year. It was understood to outstrip the firm's professional insurance cover by £24m (£35m). The settlement can be met through existing cover.

The agreement comes less than 24 hours after the UK government unveiled detailed plans to allow UK firms to shield partners' personal wealth from litigation stemming from the negligence of fellow partners.

"The costs and the uncertainty of the outcome of litigation have influenced us in taking this essentially commercial decision," said a spokesman for BDO Binder Hamlyn.

Accountants had hoped the appeal case would settle whether they could own a "duty of care" to a company with which they had no formal contractual relationship.

ADT alleged that, at a meeting in 1990, Mr Martin Bishop, a Binder's audit partner, gave a verbal assurance to ADT about the 1989 accounts of Britannia Security Group — a company which BDO Binder Hamlyn had audited.

ADT went on to purchase Britannia Security Group and said it had based its price on Mr Bishop's assurance on the accounts — even though he was not employed by them as a reporting accountant.

ADT said that when the takeover was over it had found BSG was worth £40m — rather than the £100m it had expected.

BDO Binder Hamlyn ceased trading in October 1994 when the London practice merged with Arthur Andersen Worldwide Organisation.

Cabinet to settle navy ships row

By James Buxton and Bernard Gray

A row between ministers over a £200m (£324m) contract for two Royal Navy oil tankers is expected to go to a full cabinet meeting, after an attempt at mediation by Mr Michael Heseltine, the deputy prime minister, failed to settle the dispute on Thursday.

Mr Michael Forsyth, the chief minister for Scotland, is trying to have the contract awarded to the Kvaerner Govan yard in the Scottish city of Glasgow, but Mr Michael Portillo, the chief defence minister, wants it to go to the VSEL shipyard at Barrow, in north-western England. A cabinet sub-committee meeting chaired by Mr Heseltine yesterday failed to resolve the argument and it will now have to be decided in full cabinet.

Mr Forsyth has raised the stakes in the dispute by arranging to tour the Kvaerner Govan yard for two hours on Monday.

It was Mr Forsyth's intervention last Monday which halted a Ministry of Defence announcement that the two oil replenishment ships would be built in Barrow.

The Scottish Office is concerned that if a consortium of Kvaerner Govan and British Aerospace fails to win the contract the yard may face closure next year.

The Norwegian-owned yard has only one ship under construction, which is due for completion next year.

But the MoD wants the contract to go to VSEL, which is owned by General Electric Company. It believes the deal with VSEL offers the best value for money and will enable VSEL to keep its workforce intact, which will help it fulfil other MoD warship contracts.

The ministry wants to keep Barrow open because it is needed for building big surface ships and submarines. Kvaerner Govan argues that, since the ships are unlikely to come under risk of attack, it can build the two ships more cheaply than VSEL if the MoD drops its insistence on having the vessels built to warship standards.

The Scottish Office fears that GEC plans in the medium term to concentrate warship building at Barrow.

■ ECONOMY

Spending fuels steady growth

Buoyant consumer spending on cars, services and household goods fuelled the acceleration of economic growth in the fourth quarter last year, but investment remained weak.

Figures published yesterday are likely to strengthen the hand of Mr Kenneth Clarke, the chief finance minister, in resisting calls for higher interest rates. They showed the economy grew strongly but steadily at the end of last year, calming fears of an inflationary consumer boom.

The Office for National Statistics said gross domestic product grew 0.8 per cent in the fourth quarter of last year — its fastest rate of growth for two years. Consumer spending rose 0.9 per cent in the fourth quarter, a slightly slower pace of growth than earlier in the year, but 3.7 per cent higher than in the same period a year earlier.

However, investment grew by only 0.2 per cent after a large drop in the third quarter, and most new investment was in housing rather than in new plant and machinery. This was in spite of company profits being 21 per cent higher than in the same period a year earlier.

UK exports grew more strongly than imports, despite the strength of the pound.

Excluding oil and gas extraction, the economy grew 0.7 per cent in the fourth quarter to reach a level 2.5 per cent higher than a year ago.

■ LOCAL GOVERNMENT

Chief forced to drop directorship

Ms Heather Rabbatts, the high-profile chief executive hired to head Lambeth, a London local authority, has

been forced to step down as a non-executive director of Centrica, the British Gas offshoot, after pressure from Conservative councillors.

Local Conservatives opposed the appointment on the grounds that it would create a conflict of interest and would be a "distraction" from her local authority responsibilities.

By opposing the move, Conservative councillors ignored an appeal from Lord Sheppard, the Tory peer. In a letter to councillors, he argued that Ms Rabbatts' appointment would be an inspiration to other ethnic minority women and a signal of the increasing co-operation between public and private sectors. Ms Rabbatts said there would have been no conflict of interest.

Mr Jim Dickson, leader of the Lambeth Labour group, said: "It is an act of political spite by the Conservatives." Labour, which runs the council in with the Liberal Democrats, the UK's third biggest party, has been trying to lambast Lambeth's reputation as one of the worst victims of 1980s municipal socialism.

David Wighton

■ WATER

Suppliers plan 'costly' reservoirs

The water industry will step up pressure to build expensive new reservoirs — to be paid for by its customers — as part of nationwide consultations to be launched on Monday to avert a "disastrous" water crisis within 10 years.

The Water Companies Association, which represents water-only suppliers, will also urge the government to change the law to allow a controversial redistribution of water abstraction licences among companies. The WCA said it wanted to bring together all the water and sewerage companies, regulators, consumers, and environmentalists to devise a "long-term plan" to keep supplies in step with the twin demands of growing consumption and a drier climate. It said Britain otherwise ran the risk in the early 21st century of hosepipe bans every summer, cuts in water supply, rivers drying up and fish dying.

Ofwat, the industry regulator, which is examining the companies' latest plans to conserve water, said that to keep bills down, demand management had to be tried before new reservoirs were developed.

Leyla Boultton

Spotlight on valuation methods

Clyde deal has highlighted differences in UK and US approaches

When Mr JP Bryan, head of Birmingham Midshires Resources, said he wanted to pay for the "steak and not the sizzle" in his takeover bid for Clyde Petroleum, he gave the UK oil sector food for thought.

His comments brought the differences between the US and UK valuation methods into sharper focus. For his lack of interest in the "size" of future production and exploration success appeared in direct contrast to the desires of the UK market.

The £494m (£800m) hostile battle, which Mr Bryan won on Tuesday, has opened up the debate about valuing exploration and production companies. Historically, the UK market has focused on valuing the net assets of exploration companies, whereas US companies tend to be judged by their cashflow multiples. These multiples use forecasts of operating profits plus depreciation divided into current share price. The difference partly reflects the preponderance of more mature US producers, compared with the more "wildcat" UK explorers.

US exploration companies

typically work onshore and

drill a large number of

smaller and inexpensive

well fields. The bid for Clyde has highlighted the US valuation method. When Gulf launched its bid, Clyde was trading on an average 1996 cashflow multiple of less than four times, lower than any other company in the sector and far lower than Gulf's in Canada.

The use of cashflow multiples in the UK is not new. As one analyst said: "It's a growing way of valuation, it probably just came a little too late for Clyde." One institutional investor said that his fund had been using a combination of both methods for several years, prompted by dissatisfaction with net asset valuations.

"Analysts have so much scope to adjust the net asset valuations, that they tend to follow the share price around," he said. The scope includes oil price forecasts, risk factors and exchange differences.

The net asset valuation method also allows investors to gamble more. One broker said: "A lot of investors are there because they want the chance to strike it rich."

Analysts believe the cashflow valuation method will gain more followers, as the UK industry matures and companies provide a steady flow of cash.

Companies that are not expected to produce cash for years were trading on higher multiples than Clyde, chiefly because of exploration.

Jane Martinson

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COMPANIES AND FINANCE: UK

NEWS DIGEST

Salvesen rebels reject plans

Rebel shareholders in Christian Salvesen, the distribution and equipment hire group, yesterday rejected the company's detailed plans to demerge and distribute £100m to shareholders.

Mr John Grant, the former LucasVarity finance director chosen by the rebels as Salvesen chief executive designate, said yesterday's Salvesen circular had failed to break their opposition. "The biggest surprise is that nothing is new," he said. "It fails to give substance to our contention of increasing value for shareholders."

The rebels, who claim to speak for 10 per cent of Salvesen shares, will oppose the cash distribution at an EGM on March 13. If they can secure a majority of the votes, they plan to install a new board with Mr Grant at its head and a brief to expand by acquisition.

But in the first detailed breakdown of the restructuring plan, Sir Alastair Rankin, chairman, confirmed that the company will distribute £100m to investors through a foreign income dividend of 34p a share.

The dividend will be accompanied by a capital consolidation that will replace every nine existing shares with eight new ones. Mr Chris Masters, chief executive, said: "Effectively, this is a very tax efficient share buy-back." Details of the plan to demerge the Aggreko equipment hire business will be published in the summer.

ROSS TIERMAN

Inspirations shares rise

Shares in Inspirations, the vertically integrated tour operator, rose 44p to 804p yesterday, after Mr Jim Harris, chairman, told the annual meeting that passenger volumes were 12 per cent higher than this time last year. He also said average prices obtained were higher than last season.

Mr Harris said capacity for summer 1997 had been reduced by about 20 per cent in favour of margin and yields. The tour operating division's cost base had fallen accordingly. Summer 1997 passenger volumes were down in absolute terms, but the percentage of the programme sold was higher than last time.

The company floated on the USM at 100p in 1993. Inspirations reported a pre-tax loss of £18.2m (£7.7m profit) for the year to September 30 1996 and passed the final dividend.

Mr Ian Berry of house broker Beeson Gregory said he was leaving his forecast for this year's pre-tax profits unchanged at £5m.

PATRICK STILES

Alpha Omikron dismissal

Alpha Omikron, the AIM-listed distribution company based in Monaco, yesterday said it had dismissed Mr Robert Bradshaw who was working at Wellington International Finance, the holding company for the group's medical insurance business.

The dismissal comes two weeks after Alpha Omikron announced the resignation of Henderson Crosthwaite, its nominated adviser and broker. Alpha Omikron could not be reached for comment.

MICHAEL LINDEMANN

Stordata in black with £1.5m

Stordata Solutions, the specialist IT distribution group, achieved pre-tax profits of £1.5m for the year to November 30 against a loss last time of £473,000.

The result, on turnover of £12m (£6.24m), was after exceptional charges of £200,000 (£80,000) and a £90,000 loss on the closure of Patriot, a start-up venture. The comparatives include results of Millgate prior to the merger in October 1995.

Alexanders makes £20,000

Alexanders Holdings, the car retailer and distributor and fleet management concern, yesterday reported pre-tax profits of £20,000 for the year to September. Last year, the figure was £221,000, after a gain of £22,000 from the sale of its South Gyle facilities.

Mrs Aleksandra Clayton, chairman, said the performance of the group's franchised dealer operations had been disappointing overall, but Alexanders Contract Rentals had enjoyed another year of outstanding performance.

Capita placing for purchases

Capita Group, the outsourcing and professional support services provider, is raising £1.85m in a vendor placing to finance two acquisitions.

It is buying Hartshead Solway, the pensions administrator, for £4.55m plus loan repayment of £400,000. The vendor is WPF Holdings, which is controlled jointly by seven regional water companies. Hartshead's income for the year to March 31 1996 was £6.6m with pre-tax profits of £544,000. Capita will become the UK's largest provider of pensions administration services with 1.8m lives under management.

The company is also acquiring the remaining 50 per cent of DriveSafe Services, its joint venture with JHP, the training, recruitment and business services company. DriveSafe set up and administers the theory test for learner drivers throughout the UK. Pre-tax profits in 1996 were £1.15m and net assets £922,000. The consideration is £7.5m plus 394,683 ordinary shares. A further profit-related payment of up to £500k may be made.

The placing of 1.94m new ordinary shares at 610p is being undertaken by Close Brothers. The shares rose 7p yesterday to 640p.

Pilot board rejects offer

The independent committee of directors appointed by Pilot Investment Trust to decide on the offer by Undervalued Assets Trust has recommended that shareholders reject the bid.

The directors point out that if the bid were to succeed, UAT would acquire Pilot for an aggregate consideration of £46.9m whereas the smaller companies trust had net assets of about £53.2m at the last published valuation on January 31. "On this basis the consideration would be nearly 12 per cent less than your company's net book value," the directors said.

The board will be writing to shareholders before March 7 about ways of achieving higher value for them than available under UAT's offer.

■ ADT, the US home security company on the receiving end of a \$3.5bn (£2.1bn) hostile takeover bid, yesterday settled a lawsuit with Binder Hamlyn, the former auditors of Britannia Security, which ADT took over in 1990. ADT will receive a payment of \$77.5m with a further deferred payment of \$8.6m.

■ FIRST CALL: Directors of the ticket and management services company, yesterday said they were in negotiations which may or may not lead to a "significant acquisition of a related UK business". They had "noted" the recent movement in the company's share price, which yesterday rose 24p to 11p. At the beginning of the week, the shares stood at 7p.

■ GALLIFORD is continuing its strategy of concentrating on its core private housebuilding and construction contracting activities with the disposal of Galliford Roadstone, its construction materials arm, to a management team for £1.5m. Galliford also intends to withdraw from the specialist contracting business of Ancorite.

■ WACE GROUP, the imaging and specialist printing group, has contracted for the sale and leaseback of its site at Rathfarnham, Dublin to Jackson Properties for 105.5m (£6.3m) in cash. The site was acquired in January 1996 as part of a purchase of assets from Hallmark Cards.

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NEWS DIGEST
Freed trio
falsely accused

Pearson sells Hong Kong TV stake

By Tim Burt

Pearson, the media and information group, yesterday said it was selling its 10 per cent stake in Television Broadcasts (TVB), Hong Kong's leading broadcaster, for £11.1m.

The company, whose interests include the Financial Times, has agreed to sell the shareholding to Shaw Brothers, the Hong Kong communications and entertainment group which first sold the stake to Pearson for £10.6m two years ago.

Shield confirms heart test progress

By Roger Taylor

Shares in Shield Diagnostics, the loss-making healthcare company, leapt 110p to 5284p yesterday, after the company said that initial research confirmed that its test for heart disease appeared to work.

Heart disease is the developed world's biggest killer and the market for Shield's product, if successful, could be more than 250m a year. Its share price has quadrupled over the past month.

Shield has a patent on using tests for the presence in the blood of a chemical called APT, as a way of predicting propensity to heart attacks.

Research is being conducted in the US and UK to test the link between APT and heart attacks. If positive, APT tests are likely to take over from cholesterol tests as the main way of diagnosing potential heart attacks.

The company yesterday published a letter from the Medical Research Council which said that initial analysis of work by St Bartholemew's Hospital appeared to indicate that APT was a more accurate predictor of heart attacks than either cholesterol or another candidate predictor, fibrinogen.

However the letter stressed that these findings were only preliminary and final results would not be available until later this year.

Shield was floated at 112p in September 1993, but the shares fell as low as 33p in 1995. Last month the company warned that it would make a loss of close to £1m in the year to March 31.

The current share price rally was started by a newsletter from the company which was optimistic about the prospects for APT tests. After the share price jumped the stock exchange asked Shield to confirm that the newsletter contained no new information.

Mr George Zajicek, a director of Shield, said: "The information in the newsletter had been published with our last set of interim results, but produced little interest at the time."

VDC edges up to £733,000

VDC, the AIM-listed supplier of veterinary and dental health products, which recently issued a profits warning, lifted pre-tax profits for the six months to November 30 just £2,000 to £733,000 on turnover up 25 per cent to £38.1m.

House broker Beeson Gregory had cut its pre-tax estimate for the year to May from £2.7m to £1.7m after VDC revealed problems in the accounting systems of its recently acquired Pre-care Health subsidiary.

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JAGUAR
DON'T DREAM IT. DRIVE IT.

Mr Greg Dyke, chairman and chief executive of Pearson Television, said the TVB investment had not created the hoped-for production and distribution opportunities for Pearson in Asia.

"We did not think we could achieve our aims through this investment, although it has given us great insight and experience of the television business in the region," Mr Dyke said.

In Hong Kong, Pearson's TVB disposal will leave Shaw Brothers - the family company of Sir Run Run Shaw, the so-called "grandfa-

ther" of Hong Kong broadcasting - with 33.5 per cent of the company.

Industry observers in Hong Kong described the move as a possible precursor to a shareholder restructuring at TVB, which could end with Shaw Brothers taking the month

Shares in TVB last month reached a high of HK\$34.80 following analysts' forecasts of improved advertising revenue and growing demand for TVB's lucrative library of Chinese-language films,

thought to be one of the largest in the world.

Pearson, which acquired its TVB stake at HK\$31 a share, has agreed to sell its holding for HK\$33.25 a share.

Mr Makinson said the proceeds would be used to reduce group borrowings, estimated at £250m-£300m at the end of 1996.

Yesterday, however, Moody's Investor Service downgraded Pearson's senior debt from A1 to A2.

The US credit rating agency said the move reflected uncertainties over

Pearson's strategic direction and expectations that its "debt protection measures" would not recover to previous levels.

Mr Makinson said Moody's was "clearly unaware" of the impact of the TVB disposal, adding that the company remained comfortable with an A2 rating and still enjoyed interest cover of more than five times.

The TVB share sale will result in a small exceptional gain for 1997, when pre-tax profits are expected to reach £250m-£280m.

Nesbitt searches for a trump card

Scheherazade
Daneshku finds the Capital Corporation chief looking for better bid odds

By Roger Taylor

Garry Nesbitt learned to sing and dance at the theatrical school, but his fascination with odds and probabilities led him to apply for a job in 1961 at Crookfords, London's first legal casino, at the age of 19.

Dressed in cravats and knee-breeches - "everything except the powdered wig" - he moved chairs, circulated chocolates and collected tips from the club's wealthy members before being promoted to the gaming tables where he handed out change to the croupiers.

Now as chairman of Capital Corporation - owners of Crookfords - he and Mr Alan Hearn, chief executive, have spent much of the week at the offices of their advisers, Hambros, engaged in drawing up a plan of action against the £1.78m hostile bid launched by London Clubs International on Monday.

Mr Nesbitt describes the 47-for-100 all-share bid as "most unwelcome". He says it undervalues the company and threatens to concentrate high-rolling London casinos in the hands of one player.

London Clubs, with seven casinos in the capital, including the Ritz, has up to 45 per cent of the drop - the amount exchanged for chips in the £1.78m London market. Capital, with two casinos, has just under 25 per cent.

"Very few people are totally loyal to one casino," says Mr Nesbitt. "If they lose money they give their luck a try somewhere else. And what they like is an alternative management to greet them. If Capital fails to London Clubs, it will lessen the choice that these players have."

Players can win or lose up to £70,000 on a single spin of the roulette wheel and as much as £1m in a night.

With such high stakes, returns can be unpredict-



Hands off: Garry Nesbitt has described London Clubs' £1.78m offer for Capital Corporation as 'most unwelcome'

ROGER WILDE

able. In the three years before Mr Nesbitt floated Crookfords in 1993, 10 "exceptional" players' losses accounted for half the company's profits; now 20 players account for the same proportion.

He acknowledges that the business is volatile: "You can get hit - but when it goes your way, you can make phenomenal profits."

The company had its best year in 1993, with pre-tax profits of £23m on turnover of £55m. But since flotation, profits have dropped - the company has warned that they fall to between £8.5m and £9m in 1996.

"Last year was exceptionally poor because we had one-off costs. In a normal trading year, the business makes £15m of profits," says Mr Nesbitt.

Costs last year included £3.5m due to the temporary closure of the Colony Club, Capital's second casino, which was reopened last summer after a £6.5m refurbishment. A further £1m was spent on a review of internal controls.

"The transition from one entrepreneurial casino to two has been difficult," acknowledges Mr Nesbitt.

"Back-of-house internal controls including food and beverage were not consistent with plc standards and we needed someone to implement within six months of its reopening - a year ahead of expectations."

Hence the recruitment last October of Mr Hearn, a grammar-school boy who had worked his way up at Unigate in data-processing before joining Forte, where he built up the group's Little

Chef and Harvester restaurants, later developing the Travelodge division.

Mr Hearn says that the computer-based cost controls are all in place and the company is now well positioned to take advantage of the expected upturn in the London market on the back of gaming deregulation.

The company says its target of realising 10 per cent of the London market for the Colony Club was achieved within six months of its reopening - a year ahead of expectations.

"We are probably the last play in terms of a good independent casino," says Mr Hearn. "We have yet to have a full year of trading from both clubs. London Clubs shouldn't be able to buy the Colony for nothing and that is what its offer is priced at."

forward p/e of 14 times. The company said it intended to produce a dividend yield in the region of 3 per cent.

Nord Anglia set up its first nursery in January and plans to open three more this year. Each nursery costs £250,000 to build and can take 50 children from six months for fees of £110 a month.

The company said it was also seeing rapid growth in its outsourcing services divi-

sion which includes managing school inspections and providing part-time lecturers to colleges of further education. Turnover for the division jumped from £55.1m in 1995 to £6.5m last year.

The company does not expect much growth from UK schools but said there were opportunities in eastern Europe. It runs international schools in Warsaw, Prague and Moscow.

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COMPANIES AND FINANCE

Europe's biggest tyre maker to slim French operations in battle with "increasingly aggressive" competitors

Michelin faces charge for 1,445 job cuts

By David Owen in Paris

Michelin, Europe's biggest tyre maker, plans to cut 1,445 jobs from its French tyre and distribution operations, in a move that could result in a significant charge.

The traditionally secretive Clermont-Ferrand based company yesterday confirmed the cuts would lead to provisions being included in its 1996 results.

It refused to stipulate the amount. However, analysts suggested a charge of about FF750m (\$37.6m) could be "in the ballpark", based on past provisions made by the company as a result of similar moves.

They estimated this could reduce the group's 1996 net profits, expected next month, from about FF73.5bn to nearer FF72.8bn - on a par with 1995.

Investors took yesterday's

announcement in their stride, with the company's shares falling FF2.10, or 0.6 per cent, to FF350.60, a decline only marginally steeper than the benchmark CAC 40 index.

The group said the reductions would come at its plants in Clermont-Ferrand, Joué les Tours and Troyes as well as distribution centres. It said a range of measures, such as internal transfers and a reduction in working

hours, should preserve 710 jobs. The net reduction in its 30,000 French workforce would therefore be 735.

The company attributed the decision principally to the need to improve its competitiveness. "In a very difficult economic context, characterised by rapid and unforeseeable fluctuations, competing manufacturers are becoming increasingly aggressive in the European market," it said.

Last September, while unveiling first-half net profits down 11 per cent to FF71.35bn, Michelin announced it was taking an exceptional charge of FF728m, relating mainly to restructuring at Neumáticos Michelin, its Spanish subsidiary. It said the shake-up would mean cutting jobs at the unit by 1,000, to between 8,000 and 9,000.

Although surprised by that move, analysts had responded reasonably positively, because of the speed with which the company had expected to make up the cost of the provision.

Yesterday's response was similar. According to Mr Stephen Reitman, an analyst with Merrill Lynch in London: "It is financially appealing because of the short pay-back - about two years."

Michelin said the cuts were not related to the introduction of C3M, an automated manufacturing unit

about which little is known but which has aroused great interest in the industry.

Although a C3M unit had recently started up in a plant near Lyons, the new technology accounted for an "extremely low" proportion of total production. Michelin executives have previously put this proportion at less than 1 per cent of the company's world output of passenger car tyres.

Kmart sells Mexican interest

By Leslie Crawford
in Mexico City

Kmart, the US retailer, and El Puerto de Liverpool, its Mexican partner, have ended a three-year alliance with the sale of their joint interest in Kmart Mexico to Comercial Mexicana, Mexico's second-largest retail chain.

Comercial Mexicana is to pay \$148.5m in cash for Kmart Mexico's three superstores in Mexico City and two other stores in the provinces.

The acquisition was not well received on the stock market, where Comercial Mexicana shares fell 5 per cent in early trading yesterday. Traders said they were worried about Comercial Mexicana's ability to finance such a large acquisition.

Kmart and Liverpool are selling at a loss. Each partner ploughed \$100m into the joint venture when the Mexican economy was booming; the peso was strong and the growing purchasing power of 90m Mexican consumers seemed like a one-way bet.

The devaluation of the peso in December 1994 and the deep recession that followed changed the outlook for the half-dozen cross-border retailing alliances that flourished with the North American Free Trade Agreement.

Retail sales fell by 1.9 per cent in 1996 after collapsing by 24.8 per cent in 1995, according to Mexico's national statistics institute. As a result, Kmart Mexico never broke even.

In Detroit, Kmart said the sale of its Mexican interests formed part of a two-year-old plan to strengthen its financial performance by selling non-core assets.

The company said it would record a small charge against its fourth-quarter earnings owing to the sale, but Mr Robert Burton, Kmart investor relations director, said the charge would not have a big impact on earnings.

Mr Enrique Bremond, chairman of Liverpool, said: "The transaction will allow Liverpool to concentrate its resources on continuing to expand its department store and shopping mall operations in the growing Mexican market."

Restructuring paying off at Hickson

By Roger Taylor

Restructuring at UK chemicals group, Hickson, helped it to make pre-tax profits before exceptional of £2.8m last year compared with a loss of £1.1m for the previous year.

Exceptional losses of £17m on the disposal in November of subsidiary, Hickson Manro, left a pre-tax loss of £9.2m (£46m) for the year to December 31. The dividend was omitted again.

Mr David Wilbraham, chief executive, said the first objective was to cut debts and that disposals of about £25m would be made to achieve this. Cash from last year's disposals cut net debt to £56.4m (£82.8m) leaving gearing of 51 per cent.

Interest payments of £6.2m (£6.6m) were covered only 2.3 times by operating profits of £14m. An additional £1.1m in interest payments were included in the provisions.

Hickson began a fundamental review of all its operations after falling into losses in 1995. Disposals over the last two years have cut the number of operating sites from 38 to 18 and the number of employees from 2,780 to 1,890.

Mr Wilbraham said he was satisfied with the improvement in trading profits last year. He expected all divisions to be profitable by the end of this year.

Operating profit on continuing operations rose 8 per cent to £10.5m on turnover up 6 per cent at £282m. The protection and coatings side,

Hickson's largest, saw operating profits rise 16 per cent to £11.1m on turnover up 5 per cent at £188m.

Hickson's intermediated division more than doubled operating profits to £5m (£2.4m) on turnover up 17% to £79.7m.

However, performance chemicals incurred an operating loss of £2.1m compared with a profit of £1.6m the previous year. But excluding one-off compensation payment of £7m in 1995, the division had shown an improvement.

Earnings per share were 4.1p (3.3p) before exceptions, with losses per share at 5.6p (25.6p) after.

• COMMENT

The storm is abating but Hickson is still not out of safe waters. Interest cover remains perilously low at a time when prices and margins for many chemicals continue to fall. The new management team has improved profitability at all the company's divisions but much depends on the timing and price of disposals. Brokers Merrill Lynch are forecasting pre-tax profits of £10m for this year (ignoring disposals) putting the company on a forward p/e of 15. This is a premium to the market potential which could produce earnings growth of 30 per cent for each of the next two years. It is a risky proposition, but it is the employees of Euro Disney, the theme park outside Paris, who yesterday outside Paris, who yesterday also found themselves losing their boss.

Mr Philippe Bourguignon, who joined Euro Disney in 1988, helped oversee the park's own hefty financial restructuring in 1994, and steered it back into profitability, takes over the operational control of Club Med at the start of March from Mr Trigano, who will oversee strategy and international relations in his new role as head of a supervisory board.

After a decade with his previous employer, Mr Bourguignon takes over a related business with a strong brand name, albeit one facing considerable challenges. He will inherit a detailed work programme prepared in conjunction with Bain, the consultancy firm.

Many of the conclusions were already enshrined in the group's announcement yesterday, and reflect long-standing criticisms of Club Med's strategy: that it failed to cut prices, diversified into leisure activities outside its expertise of holiday villages, and expanded rapidly in Asia while taking insufficient action to deal with excess capacity in its villages in Europe.

Now it will rapidly close seven villages which are in structural deficit, while investing FF520m to about 15 upgrade others. It will also convert a number of its classic villages in southern Europe into the lower-priced Club Aquarius camps which have proved a source of significant growth.

But Mr Trigano - in a view presumably shared by Mr Bourguignon - was adamant on one thing yesterday. "I am ready to accept many criticisms of the club, but not that the concept is outmoded." He argued that numerous competitors continued to be inspired by its villages and attempted to copy them.

Its strengths, he said, included both the "tangible" elements of Club Med's villages, such as its buffets and

the style of accommodation, as well as the "intangible" ones, including the warmth of its approach to clients, the results of a specially developed corporate culture spearheaded by the "gentle organisateurs", or kind staff.

The question is whether Mr Bourguignon will be able to retain and exploit these elements while pushing through aggressive cost cuts

and expanding the international ambitions of the once family-run business which has become a holiday giant.

If not, it remains more vulnerable than ever to takeover, after its five leading shareholders decided last December to unwind the pact that locked them to their existing investments.

Andrew Jack

Club Med gets Euro Disney touch

By Patrick Harverson

The cost of redeveloping Stamford Bridge stadium and of assembling an expensive first team squad left Chelsea football club's parent company in the red during the first half of the year.

Chelsea Village, which joined the stock market last March, announced pre-tax losses of £404,000 on turnover of £10.43m for the six months to December 31. Losses were 0.27p per share.

Comparable figures for the previous year's first half were not available, but revenues were higher than in the last six months of 1995, thanks to improved gate receipts and television income.

In the first half, the club spent £12.5m on acquiring new players but recouped £6.5m from selling five players. The higher wages paid to new foreign stars such as Gianfranco Zola, Gianluca Vialli, Roberto di Matteo and Franck Leboeuf contributed to an increase in operating costs to £7.5m.

Chelsea is in the process of spending £30m to build a new south stand and to unlikely the company would make a profit until the 1998-99 season.

However, he predicted strong growth in revenues as the stadium capacity increased from 28,000 to 35,000 next season and a new 10,500 sq ft club megastore provided an opportunity to expand the merchandising business.

The club also expects to negotiate a more lucrative shirt sponsorship deal with a new company when its current deal with the brewer Scottish Courage expires at the end of this season.

Mr Ken Bates, chairman, said the cost of the building work meant it would be

raised last March at 55p.

West Ham float

West Ham football club yesterday said it was likely to float on the stock market within the next year.

Announcing that it had raised £1.6m through the placing of 3,200 shares at £500 per share, valuing the company at £50m, the east London Premiership club said it would reconsider a flotation if it was relegated to the first division.

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Endesa income rises 10% for year

By Tom Burns in Madrid

Endesa, Spain's state-controlled electricity group which is due to be privatised over the next three years, yesterday announced net income rose 10 per cent to Pt165bn (\$1.2bn) in 1996.

The chief feature of the result, which was in line with forecasts, was the consolidation of the parent company's increased stakes in subsidiaries Sevillana and Fecca. This led to a 7.7 per cent increase in the group's assets, to Pt3.790bn.

In October, Endesa raised its shareholding in Sevillana from 39 per cent to 75 per cent and in Fecca from 49 per cent to 75 per cent. The acquisitions increased the group's distribution business and improved its generating mix.

Endesa's production, which accounts for 47.3 per cent of domestic electricity generation, remained stable. The group's sales increased 3.7 per cent and gave it a 3.6 per cent market share. Average debt was reduced by 16 per cent during 1996.

The group generated cash flow of Pt440.4bn, 44.7 per cent up on 1995. It is likely to continue an aggressive investment policy that has included acquisitions in Latin America, and diversification into telecommunications in Spain.

Endesa bought controlling stakes last year in a Peruvian company that is expanding a gas-fired generator near Lima; and in Endesa, the main electricity distributor in greater Buenos Aires. In Spain it is a core shareholder of Airtel, a mobile telephone network, and of Retevisión, which is to be Spain's second mobile telephone operator.

The government plans to reduce its 66 per cent stake in Endesa to below 50 per cent late this year.

Allied Leisure gets chill from cold snap

By Michael Lindemann

Shares in Allied Leisure fell 6p to 46p yesterday after the UK bowling and restaurants group warned that trading was "patchy".

The cold snap over Christmas and the new year had kept customers away and sales growth at 25 of the 35 bowling alleys which have not yet been refurbished was running "behind expectations", the company said.

Pannure Gordon, the house broker, has cut its full-year pre-tax forecast from £4.8m to £4.3m (£1.14m), including a £200,000 charge for bad weather.

Sales in the first seven weeks of the calendar year had risen 6.7 per cent on a like-for-like basis, but Mr Neil Gouden, managing director, said the company had hoped for double-digit growth.

Following the expansion last year into bowling alleys, Allied said it was now looking to sell its last night-club, Goldiggers in Chippingham, as soon as possible. Mr Gouden said Allied had 40 possible buyers.

The Poole-based company said it was also in talks to buy eight Burger King franchises to supplement a test

franchise agreement it signed in November with Blimpie, the US sandwich company.

The two ventures mark Allied's expansion into the branded restaurants business.

Pre-tax profits in the six months to December 31 jumped from £500,000 to £1.14m, while sales nearly

doubled from £9.7m to £18.9m. Earnings per share rose from 6.6p to 10.7p.

An interim dividend of 3.3p is the first interim payout since 1994. The group last year paid its first dividend in three years.

On the revised profit forecast, the p/e to June 1997 is 14.5 times, in line with the market.

Mr Gouden: company had hoped for double-digit growth

Bakyrchik raises £7.1m in placing

By Kenneth Gooding, Mining Correspondent

Bakyrchik Gold, the London listed company with a gold project in Kazakhstan, has raised a further £7.1m by way of a placing with institutions.

The placing has also strengthened the association between Bakyrchik and IndoChina Goldfields, the latest Canadian vehicle of Mr Robert Friedland, the mining entrepreneur. IndoChina's stake in Bakyrchik has risen from 26.3 to 27.9 per cent.

Bakyrchik issued 3.57m new shares, increasing the number of shares in issue by about 10 per cent, at 200p each, marginally below the 205p at which they were trading in London yesterday.

The company had given a warning that a placing was on the way when it announced last month that pre-tax losses for the six months to September 30 had nearly doubled from £8.9m (£5.5m) to £15.4m.

It was also revealed then that IndoChina had conditionally agreed to provide Bakyrchik with a \$20m working capital facility. This, with cash from the placing, should enable Bakyrchik to complete production feasibility studies for the Kazakhstan mine.

Preliminary indications are that the most substantial scheme would require \$220m, but this would be much less if Bakyrchik opted for lower output.

Bakyrchik also has to find \$45m for its share of a deal with the Kazakh government, announced in December, whereby it will raise its stake in the Bakyrchik mine joint venture from 40 to 85 per cent. IndoChina will hold the remaining 15 per cent. Mr Roger Harris, managing director, said yesterday this financing might be required in the early summer.

Cost of foreign stars leaves Chelsea in red

By Patrick Harverson

The cost of redeveloping Stamford Bridge stadium and of assembling an expensive first team squad left Chelsea football club's parent company in the red during the first half of the year.

Chelsea Village, which joined the

COMMODITIES AND AGRICULTURE

MARKETS REPORT

Copper rallies as oil falls

By Suzanne Voyle

Copper prices renewed their rally yesterday, while oil fell below \$20 a barrel for the first time in six months.

On the London Metal Exchange copper shrugged off a 1,875-tonne rise in stocks, compared with the reduction of up to 3,500 tonnes it had been expecting. The price of copper for three-month delivery rose to \$2,366 a tonne having fallen to \$2,334 on Thursday in list-

LAST WAREHOUSE STOCKS
(At Thursday's close)
tonnes

Aluminium 2,400 to 908,225
Aluminium alloy 1,070 to 72,025
Copper 1,175 to 109,000
Lead 1,190 to 145,816
Nickel 142 to 47,600
Zinc 126 to 47,600
Tin 475 to 10,033

less trading. Earlier in the day it had reached a fresh eight-and-a-half-month high of \$2,374.

Yesterday's increase followed Wednesday's jump of \$74 a tonne, taking the market back to a level not seen since last June when Sumitomo Corporation of Japan fired its chief copper trader for unauthorised trading that cost it \$2.8bn.

Fears that Sumitomo might have to dispose of huge stocks of copper sent prices tumbling by \$1,000 a tonne to \$1,745.

Traders yesterday said the market had decided to do what it wanted to do — in spite of the stocks rise. "People have finally realised the market is in a solid upturn," said one.

Metals analysts at Deutsche Morgan Grenfell say that much of the recent rise in the copper price reflects fears over a shortage of physical metal. The period between March and June

traditionally sees the strongest demand for metal due to higher levels of construction activity in the northern hemisphere.

However, they say that on the supply side there has been little increase in production over recent weeks... indeed the bears in the market now appear to be putting off the expected tidal wave of new production into the second half of this year.

"Against this background of rising demand and only modest increases in production, remains the wild card in China with the market beginning to become increasingly worried over the possibility of significant purchases over the next few months," they add.

"Certainly stocks within the commercial sector in China are at historically low levels — no more than one to two weeks' consumption — and an increase in imports is almost inevitable."

On London's International Petroleum Exchange yesterday oil prices fell to a fresh six-month low. In late trading Brent Blend for April delivery — the internationally recognised benchmark — stood at \$19.87 a barrel, a fall of 21 cents from Thursday.

Traders blamed the fall on bearish fundamentals, warmer weather and more Iraqi barrels earmarked for the US. They said London was following New York's Nymex lower after the UN sanctions committee on Thursday approved deeper discounts for Iraqi crude sales to the US.

Gas oil futures were also hit by the mild weather in both Europe and north-eastern US, with prices falling by \$3 a tonne. Contracts for delivery in March fell to \$170.50 a tonne.

The price of gold rallied yesterday. At London's afternoon "fix" the price was \$336.30 a troy ounce, an increase of \$3.30 from Thursday. It later rose slightly to close at \$337.50.

Analysts at GNI said sentiment had been helped by a reduction in fears of central bank selling.

WEEKLY PRICE CHANGES

	Latest	Change	Year	1996/97	—
	prices	per week ago	Year	High	Low
Gold per troy oz.	\$332.35	+\$7.50	\$338.30	\$415.00	\$340.35
Silver per troy oz.	\$22.25	+\$6.30	\$35.40	\$38.90	\$26.70
Aluminum 99.7% (cash)	\$159.35	+\$6.25	\$158.90	\$167.60	\$124.55
Copper Grade A (cash)	\$243.95	+\$8.95	\$245.45	\$281.00	\$186.95
Lead (cash)	\$69.35	+\$12.55	\$78.65	\$92.75	\$64.67
Nickel (cash)	\$78.65	+\$17.75	\$86.25	\$86.15	\$61.85
Tin (cash)	\$29.75	+\$1.75	\$28.00	\$31.50	\$26.70
Zinc (cash)	\$191.45	+\$9.50	\$193.00	\$200.50	\$169.50
Crude Oil (US \$/bbl)	42.90	+\$1.10	43.00	43.10	40.80
Gas Oil (US \$/bbl)	34.90	+\$0.90	35.00	35.10	34.50
Copper Futures Mar	2947	+\$5	2994	3179	2847
Coffee Futures Mar	21517	+\$135	22081	22055	18205
Sugar (LDP) Raw	278.10	+\$1.60	315.50	330.70	256.30
Barley Future Mar	132.00	+\$1.05	138.85	140.85	130.25
Wheat Future Mar	133.85	+\$0.50	131.85	134.70	131.50
Cotton Outlook A Index	80.356	+\$0.45	81.150	87.650	74.050
Wool (244 Super)	413p	+\$1	439p	452p	387p
Oil (Brent) (US \$)	360.15x	+\$0.55	377.02	325.18	316.00

Per tonne unless otherwise stated. p = pending. d = down. x = up.

WORLD BOND PRICES

MARKETS REPORT

By Edward Luce in London and Lisa Branston in New York

Italian bonds continued their three-day recovery with data yesterday showing a decline in the regional rate of inflation.

Provisional CPI figures for Palermo and Bari showed a drop of 0.3 per cent in February, prompting forecasts that headline inflation would fall to 2.5 per cent or even 2.4 per cent for the month. March 10-year BTP futures rose by 0.24 to close at 130.80 on Liffe.

"There's a feeling that the determination in the short-end of the eurocurve curve was overdone," said Mr Andrew Bevan, international bond economist at Goldman Sachs in London.

German bonds continued their sideways drift after Thursday's unsettling news of high M3 growth and higher-than-expected wholesale price inflation in February.

Economists said German inflation for February could

hit 2 per cent from 1.9 per cent in January. Benchmark bonds fell by 0.6 to close at 103.44 on Liffe yesterday.

Other European markets also fell. UK benchmark gilt futures dropped by 5 to close at 113.4% on Liffe. Spanish bond futures dropped by 0.8 to settle at 114.01 in Barcelona.

US Treasury prices recovered some of the losses made early yesterday.

Near midday, the benchmark 30-year Treasury was 4% higher at 98.5% in yield 6.632 per cent while at the short end of the maturity spectrum, the two-year note rose 5 to 100.4, yielding 6.820 on Liffe.

The March 30-year bond contract weakened by 5 to 122.5%.

With no economic data released yesterday, bonds traded in a narrow range.

The market's focus next week will be on Humphrey-Hawkins testimony to be delivered by Mr Alan Greenspan, chairman of the Federal Reserve, and on data in the regional rate of inflation.

Economists said German inflation for February could

BENCHMARK GOVERNMENT BONDS

	Red	Price	Change	Yield	Week	Month
	Coupon	Red Date	Price	Change	Yield	ago ago
Australia	6.750	11/06	94.9216	+\$0.60	7.49	7.31
Austria	5.925	01/07	100.6800	+\$0.20	5.53	5.50
Belgium	6.250	03/07	104.6100	+\$1.60	6.36	5.73
Canada	7.000	12/07	102.5000	+\$0.20	5.15	5.00
Denmark	6.000	03/09	100.9000	+\$0.40	6.22	6.14
France	5.500	10/01	104.7685	+\$0.40	4.35	4.28
Germany	8.000	01/07	103.4900	+\$0.00	5.53	5.50
Ireland	8.000	08/06	111.2200	+\$0.00	6.28	6.25
Italy	7.750	12/08	102.1800	+\$0.25	7.12	7.55
Japan	No. 143	05/01	121.3119	+\$1.63	1.37	1.37
No. 182	03/06	104.1244	+\$1.65	2.42	2.38	
Netherlands	5.750	01/07	102.4600	+\$0.10	5.30	5.25
Portugal	8.500	02/06	108.4500	+\$0.20	5.27	5.21
Spain	7.500	03/09	103.3018	+\$0.20	6.60	6.57
Sweden	6.000	12/08	104.0800	+\$0.25	6.71	7.05
UK Gilt	7.500	12/08	102.1800	+\$0.25	7.13	7.12
US Treasury	8.250	02/07	98.99	+\$0.00	5.31	5.31
10-year Gilt	8.625	04/05	105.6700	+\$1.10	5.75	5.71

Yield: Local market standard. Yield: US: UK: 30 days, others by deposit.

Source: MMS International

Yield: London mid-day.

1. Gross (excluding withholding tax) 12.5 per cent payable by nonresident.

2. Deposit: US: UK: 30 days, others by deposit.

Source: MMS International

Yield: London mid-day.

3. Gross (excluding withholding tax) 12.5 per cent payable by nonresident.

Source: MMS International

Yield: London mid-day.

4. Gross (excluding withholding tax) 12.5 per cent payable by nonresident.

Source: MMS International

Yield: London mid-day.

5. Gross (excluding withholding tax) 12.5 per cent payable by nonresident.

Source: MMS International

Yield: London mid-day.

6. Gross (excluding withholding tax) 12.5 per cent payable by nonresident.

Source: MMS International

Yield: London mid-day.

7. Gross (excluding withholding tax) 12.5 per cent payable by nonresident.

Source: MMS International

Yield: London mid-day.

8. Gross (excluding withholding tax) 12.5 per cent payable by nonresident.

Source: MMS International

Yield: London mid-day.

9. Gross (excluding withholding tax) 12.5 per cent payable by nonresident.

Source: MMS International

Yield: London mid-day.

10. Gross (excluding withholding tax) 12.5 per cent payable by nonresident.

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Yield: London mid-day.

11. Gross (excluding withholding tax) 12.5 per cent payable by nonresident.

Source: MMS International

Yield: London mid-day.

12. Gross (excluding withholding tax) 12.5 per cent payable by nonresident.

Source: MMS International

Yield: London mid-day.

13. Gross (excluding withholding tax) 12.5 per cent payable by nonresident.

Source: MMS International

Yield: London mid-day.

Mr Jiang Zemin, now first among equals in China's leadership following the death of Deng Xiaoping, might feel some affinity with Mr John Major, the UK prime minister. Neither is a dynamic politician, probably neither expected to rise so far, and both reached high office almost by chance.

Just as Mr Major profited from Mrs Margaret Thatcher's sudden political demise, Mr Jiang was plucked from relative obscurity to leapfrog more senior colleagues. Unlike the Beijing politicians, Mr Jiang was not tainted by association with the 1989 massacre of students in Tiananmen Square.

Mr Jiang seems to have been born under a lucky star. By all accounts he served relatively undistinguished terms as mayor and party boss of Shanghai, before being called to Beijing in June 1989 to head the Communist party in the midst of the Tiananmen Square crisis.

At the time he was described as a stop-gap leader and a transitional figure. But seven years later he stands as leader of 1.2bn people in the world's most populous country.

It has been a giddy ascent for someone who plodded through much of his career

Man in the News · Jiang Zemin

Not afraid of greatness

Tony Walker on the slow but sure ascent of China's new leader

It is not yet clear whether this will be enough for him to succeed in driving forward China's reforms. He has some way to go to convince those who doubt his leadership skills.

But Mr Jiang has been exceeding expectations for much of his career. There is no compelling reason to believe he will falter now, as he emerges from the shadow cast by Deng.

China's new leader - in official propaganda he is referred to as the "core" of a collective leadership - boasts some interesting firsts. He is China's first university-educated ruler since the revolution, the first English-speaker - although his fluency is said to be over-rated - and the first who is known to recite slabs of the Gettysburg address in English.

An electrical engineer by profession, Mr Jiang is a graduate of Shanghai's Jiaotong University, one of China's leading technical institutions. He spent two decades in industry, including a stint in a soap factory. Critics complain that he is without firm beliefs or fresh ideas. He is sometimes referred to as leader of the "wind faction", meaning his attitudes drift in whatever direction seems most politically appropriate.

A Chinese journalist said recently that Mr Jiang wants to be "all things to all factions", wavering between association with party conservatives on one hand and reformists on the other. More kindly, he might be described as a consensus politician.

His break into politics came in the early 1970s, when he was brought to Beijing to work in the central bureaucracy. Here he made valuable contacts among the higher echelons of the Communist party.

This ability to cultivate influential figures to his advantage is a thread running through his career. He is said to have been especially solicitous, as mayor and party secretary in Shanghai, towards party elders - including Deng, a regular visitor in the 1980s.

It was Deng Xiaoping who championed Mr Jiang's promotion in 1989 to general secretary of the Communist party and insisted that he be referred to as the "core" of a collective leadership. Mr Jiang was not even a member of the standing committee of the politburo - the usual springboard to senior positions - when he was appointed general-secretary.

Deng nurtured him politically during the difficult years of the Cultural Revolution of 1966 to 1976, when many Communists leaders, including Deng, were purged. Mr Jiang was born in Yangzhou, Jiangsu province, to the east of Shanghai, in August 1926. He is said by official biographers to have

necessarily cause for comfort, now that he has died. The relationship recalls the elevation of the hapless Hu Guofeng to party leadership when Mao Zedong died in 1976. Mr Hu did not survive long after his patron's death, being ousted by Deng.

Mr Jiang's biography suggests a relatively uneventful career, in marked contrast to the tumultuous experiences of Mr Deng's generation, although his family paid a heavy price for its association with the revolution. His father, Jiang Shangqiang, an early member of the Communist party, died at the hands of the nationalists.

This satisfactory "class background", with an ability to move with the tide, probably explains why Mr Jiang did not suffer badly during the Cultural Revolution of 1966 to 1976, when many Communist leaders, including Deng, were purged.

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History without the detail

Roula Khalaf says reconciliation efforts in Lebanon include a committee appointed to form a consensus on the past

In a flat in west Beirut, five university students argue about Lebanon's 17-year civil war and the past six years of peace.

They differ on why the war started, what it was about and whether it has ended. But they agree on one point - that reconstruction should start with a history book which tells Lebanon's new generation, regardless of their religion, a single version of their tumultuous past.

"The war started because we never felt that we belonged to one nation," says Nael, a Christian Maronite student. "In Christian schools, the history book said a Maronite Emir who killed his Druze subjects was a hero. In Druze schools, the book told his life differently and he was a villain."

The Lebanese government would also like to unify the country's history book. But, six years after the end of the Lebanese war, the country's 17 religious communities cannot agree on a common version of history and of the events of the civil war.

A government-appointed history committee representing the country's various religious tendencies has completed 70 sessions of work to agree "general guidelines". Several hours were spent debating whether a comma was needed in one sentence. With the comma, the sentence stresses the Lebanese over the Arab tradition. Its eventual inclusion will please many Lebanese Christians.

It is only after these guidelines are approved by the council of ministers that six Lebanese historians, one from each main religious sect, will be given the green light to write a unified account. The history will gloss over the gruesome details of how the Lebanese killed each other. It will focus on foreign interference in the war and on the threat of the "Zionist" enemy.

"Details open wounds," says a senior government official. "We must focus on the good times, not the bad times, and emphasise the lessons of the period, not the details."

The struggle to forge a consensus on Lebanon's recent history reflects the country's slow and painful healing process. On the surface, the country is being reconstructed. Beirut is being enthusiastically rebuilt, in spite of regional instability and Lebanon's recent economic slowdown and deepening social crisis. The famous Casino du Liban has reopened its doors. Fancy restaurants and designer clothes boutiques have been "springing" up daily.

The 1988 Taif agreement, which paved the way to ending Lebanon's civil war, envisaged, along with this physical reconstruction, a gradual social and political reconciliation. But regional

and domestic political forces have stood in the way of national reconciliation. They have served to reinforce sectarian differences which Taif sought to eliminate.

With east and west Beirut joined as one city, it has become possible for three of the five students in the west Beirut flat to attend the University of St Joseph in the east, and to befriend Maronite classmates they once considered enemies. The students say "Lebanese society is eager for reconciliation but is pulled back by political forces.

"The leaders don't want unification, what they want are people thinking along sectarian lines so they can rule over them," says Sami, a Catholic student. "The system is such that someone will always feel left out. The south is a different country."

The conversation inevitably turns to Syria, the powerful neighbour whose influence in Lebanon was institutionalised in the Taif agreement. Syria was licensed to police the Lebanese peace, and then expected to retreat to its borders, but its forces have stayed on. Damascus has become the main force in Lebanese politics.

The students say anti-Syrian feelings harboured by the Maronites are growing among the Moslem communities. Many in Lebanon fear that, without the continued Syrian presence, their fractured society would sink back into warfare. But others say that, stripped of its sovereignty, Lebanese society has little chance of reconciliation.

If Beirut's high-rise buildings indicate that Lebanon may regain its former status as a thriving regional centre, it is a small town about 50km north of the capital that better portrays the painful process of nation building.

Souk el Gharb, a Christian Greek Orthodox town surrounded by Shia and Druze communities, was hit so hard during the war it is guaranteed a place in the history books. Today the bakery and grocery shop are among the few buildings that have been rebuilt. Between them, the houses lie in ruins, pillaged and stripped of doors and windows.

In the renovated church only 40 people congregate for Sunday mass. Few of the Christians who once lived in this part of Mount Lebanon and in the neighbouring Chouf mountains are going back to Souk el Gharb. Many families are selling their property to Shias.

"The government doesn't have enough money for us to rebuild," says a former landowner who has abandoned Souk el Gharb.

"We moved to the mountains in the east and have started a new life. I don't think we can bear another change. And what good is one house rebuilt in the middle of all the destruction? To rebuild Souk el Gharb will take another 30 years."

which risks creating another war."

Today's Lebanon is run by a troika - a Maronite president, a Sunni prime minister, and a Shia speaker of parliament. The three are incessantly embroiled in petty disputes, rivalries that are inevitably reflected within their respective communities.

In a house built on a quail farm in southern Lebanon, Ali Makallé, a Shia supporter of the Islamist party Hezbollah, still mourns the loss of his son, killed in a battle with a rival Shia militia. "How can we be part of the same country when I worry about Israeli bombardments, while I see other Lebanese on television saying all they care about is for it to snow so they can go skiing, or when I see them in their fancy clothes and fancy restaurants telling the world that Lebanon is thriving?"

In Lebanon's postwar politics, both the Shias and Sunnis have been assigned principal roles. It is the Christian Maronites, who dominated prewar politics, who are still being made to pay the price of the war through political marginalisation.

Nael, the Maronite student, says the Christians may deserve to pay for their attempts to monopolise Lebanese politics. "But the government has simply turned it around and allowed them

Bank buildings are successfully becoming restaurants, says Nicholas Lander

Mouths where their money was



Potential consumers: the menu outside Bank restaurant attracts the attention of two people

wine bottles along the walls and cases of spirits and mixers on the floor.

Restaurateurs have even

been the beneficiaries of

bank failures in Glasgow,

a former corner branch of

the Bank of Commerce and

Credit International - empty

for four years after its fail-

ure in 1991 - has been reop-

ened as St Vincent, a

bar and restaurant. Its new

owner, restaurateur Mike

Conyers, discovered it was

the UK's first steel-framed

banking hall, built in 1913

and modelled on the Chicago

banks.

Beyond the anahi and

sashimi counter where eight

Japanese chefs furiously

chop and slice is the black,

open door of what was the

vault, with the thick steel

bars still protruding. Today

there is a counter across the

opening and a barman

behind - with bins for the

trash.

The new relationship

suits both parties. Banks no

longer have a presence on

every high street, as their

traditional way of doing

business over the counter

has given way to hole-in-the-wall cash machines, telephone banking and a concentration on fewer branches.

To find new lending oppor-

tunities in today's competi-

tive market, bankers must

travel to their prospective

borrowers rather than wait

for business to roll in. In the

former branch manager's

office in the Baker Street

Pizza Express, Italian chefs

roll out and cook pizzas.

Old bank branches would

not have been suitable for

the traditional, intimate res-

taurants of yore. But they

are ideal for the big and

bustling, open-plan res-

taurants that have become so

popular over the past five

years - where it is not just

food and drink on offer but

the opportunity to be seen.

The former BCCI bank in

Glasgow has accommodated

a mezzanine floor to provide extra capacity. And the front windows of the Cube bar in Hampstead were deep enough to hang three Christmas trees over the bar.

For the restaurateur, the interior design of the interiors of former banks is often equally appealing. Built to reflect the institution's financial standing, they usually have large windows and high, impressive ceilings to provide a substantial, uninterrupted seating area.

The main difficulty in converting these temples from Mammom to gastronomy is in their impregnable construction. Removing the night deposit box, made of toughened steel and running from the ground floor to the basement, took more than a week in one conversion. In Glasgow, diamond drills had to be used to cut through the floors to provide the necessary extra services.

London's next bank conversion should have been a former Bank of Nigeria branch in Waterloo Place, off Lower Regent Street. Harvey Nichols Restaurants, linked to the top-drawer Knightsbridge store, was hoping to open for business there until lease negotiations broke down.

"I am disappointed," said Mr Dominic Ford, food and beverage director of Harvey Nichols, "but there seems to be no shortage of wonderful bank sites waiting to be turned into restaurants."

Large banking halls can seat a substantial number of customers - often more than 200 at any one time. In central London, Bank has rooms for 65 tables, and is feeding 600 a day eight weeks after opening. Le Gavroche, one of London's most highly rated restaurants, can seat only 60 diners.

The imposing fronts and generous proportions of bank buildings allow restaurateurs easily, obviously and immediately to stamp their individuality. Bank, for example, has turned the former customer counter into a horseshoe bar, clearly visible from the street. It accommodates 40 sitting and 60 standing.

While 47.3 per cent of employees at US companies are women, a working wife is far from the norm among executives.

Ms Berger believes a lot of younger women still aspire to stay at home, though she adds: "Even if they choose home and did all she was called on to do."

Ms Wendt can hardly claim she would have been better off financially if she had pursued her career as a music teacher, but there may be other advantages to working outside the home. After all, corporate wives leave them

to their husbands' careers.

In most divorces, assets are split down the middle. But when assets exceed \$20m, courts tend to take the view that the corporate wife should only get enough to maintain her lifestyle, says Mr Balbirer.

He adds: "There is someone who is getting a raw deal, and it is the economically dependent woman. She's in love and she trusts him and the guy says: 'Money, this is just because the lawyer wants it'."

But it is not always the man who wants a pre-nuptial deal, according to Mr Cohen. "Sometimes it's the woman who has the money, and a woman with money is tougher [about getting an agreement] because she's worked harder to get it," he says. "And she ain't giving it up so easy."

Mrs Gary Wendt, who has risen to the number two slot at America's largest company, General Electric, would like to be known for his business acumen. Instead, he runs the risk of being remembered for his divorce.

Mrs Lorne Wendt, his wife of 81 years, is fighting him for half his assets, which she says total \$100m. He says his assets are a paltry \$34m, and that his wife should be able to get by on a \$10m lump-sum payment.

D-Mark firm

MARKETS REPORT

By Wolfgang Münchau

Foreign exchange markets ended on a relatively quiet note after a hectic trading week, which saw frequent fluctuations in the exchange rates for the D-Mark and the lira.

The US dollar ended 0.6 pfennigs lower at DM1.6631. Against the yen, the dollar fell by Y1.265 to Y122.810. The Japanese yen rate, which rose above 0.5 per cent at mid-week slipped back below this level, while the Bank of Japan maintained a neutral stance in the money markets.

The pound closed 0.2 pfennigs higher against the D-Mark at DM2.7252. Against the dollar, the pound was up by 0.7 cents at £1.6192.

The D-Mark hung to its increases from Thursday, which reflected mild hopes that the worst for the German economy was now over.

had gone far enough. Yesterday Chancellor Helmut Kohl himself gave a rare statement about the D-Mark trading levels when he declared: "it is good to note that the D-Mark has been fully corrected against the dollar in the last year". The concerted attempts by German officials to talk up the D-Mark reflects concern about imported inflation, especially so close ahead of monetary union.

Meanwhile, Mr Ernst Welteke, president of the Hesse state central bank said that Germany could adopt the single currency even if it breached the Maastricht budget deficit ceiling of 3 per cent.

■ Emu has been one of the key issues in foreign exchange markets in the last few days. Yesterday's decision by Eurostat, the EU's statistical office, to rule Italy's Eurotax as compatible with the Maastricht spirit gave a predictable boost to the Italian currency.

as Italy now looks marginally more likely to be among the first group of nations to join the single currency. The government hopes to raise new revenues of L12,000bn (\$2.1bn), around 0.6 per cent of gross domestic product.

Eurostat's decision only affected a small portion of the proposed revenues. The wildly fluctuating perception of Italy's chances of meeting the criteria is now the key factor behind the fluctuations in the lira. After a few days of weakness the Italian Emu change again.

POUND SPOT FORWARD AGAINST THE POUND

Feb 21	Closing mid-point	Change on day	Broker's spread	Day's mid-high	Day's mid-low	One month	One month	One year	Bank of
						Rate %/p	Rate %/p	Rate %/p	Eng. Index
Europe									
[Set] 10.1784	+0.0172	700	-880	18.9425	10.1126	18.1388	2.7	19.0783	2.1
[Set] 56.0483	+0.0033	047	-533	55.5720	55.0103	55.1243	2.7	54.8843	2.8
[D] 10.0406	+0.0141	977	-974	10.4342	10.3555	10.3897	2.3	10.3431	2.8
[F] 8.1552	+0.0224	494	-610	8.1620	8.1040	-	-	8.1552	-
[Fr] 8.2025	+0.0058	983	-107	9.2540	8.1680	9.1818	2.7	8.1401	2.9
[D]M 2.7252	+0.0026	249	-263	2.7347	2.7137	2.7187	2.9	2.7058	2.8
[G] 42.4544	-0.0054	228	-246	42.4544	42.4544	42.4544	-	42.4544	-
[It] 12.2282	-0.0021	151	-151	12.2282	12.2282	12.2282	-	12.2282	-
[L] 2.9228	-0.0022	151	-151	2.9228	2.9228	2.9228	-	2.9228	-
[Lux] 54.2493	+0.0033	047	-533	54.5720	54.5720	54.5720	-	54.5720	-
[N] 3.0324	+0.0047	613	-634	3.0316	3.0473	3.0564	3.1	3.0391	3.0
[Nor] 10.8758	-0.0075	886	-883	10.8758	10.8758	10.8758	-	10.8758	-
[Port] 27.5533	-0.0156	732	-733	27.5533	27.5533	27.5533	-	27.5533	-
[Spa] 231.101	+0.0014	101	-101	231.101	231.101	231.101	-	231.101	-
[Sw] 11.7780	+0.0054	514	-514	12.2282	12.2282	12.2282	-	12.2282	-
[UK] 2.7278	+0.0142	725	-725	2.7278	2.7278	2.7278	-	2.7278	-
[Ecu] 1.4043	+0.0011	029	-056	1.4043	1.4043	1.4042	1.7	1.3988	1.8
[SDR] 1.74016	-	-	-	-	-	-	-	-	-
Americas									
[Peru] 1.6184	+0.0072	180	-187	1.6210	1.6103	-	-	-	-
[Brz] 1.7100	+0.0007	004	-014	1.7032	1.6951	-	-	-	-
[Can] 2.2251	+0.0158	042	-059	2.2269	2.2093	2.1908	2.8	2.1891	2.9
[New] 12.5530	+0.0078	922	-938	12.5530	12.5071	-	-	-	-
[USA] 1.6192	+0.0078	188	-195	1.6213	1.6105	1.6182	0.7	1.6161	0.8
Pacific/Middle East/Africa									
[Aus] 2.0068	-0.0099	707	-816	2.0027	2.0757	2.0821	-0.7	2.0823	-0.4
[Hong] 12.5371	+0.0041	336	-405	12.5290	12.4703	12.5298	0.7	12.5114	0.7
[India] 5.4461	+0.0021	340	-401	5.4461	5.4461	5.4461	-	5.4461	-
[Ind] 10.5848	+0.0022	556	-568	10.5848	10.5848	10.5848	-	10.5848	-
[Japan] 10.4012	+0.0072	106	-136	10.4108	10.4024	-	-	10.4108	-
[New] 2.2306	+0.0062	288	-322	2.2335	2.2319	2.3373	-3.5	2.3468	-2.8
[Philippines] 42.6255	+0.0082	656	-681	42.6981	42.6068	-	-	42.6255	-
[Saudi] 6.0727	+0.0026	710	-743	6.0804	6.0436	-	-	6.0727	-
[Singapore] 2.0000	+0.0047	047	-057	2.0000	2.0000	-	-	2.0000	-
[South Africa] 2.2700	+0.0057	658	-616	2.2700	2.2700	-	-	2.2700	-
[South Korea] 1367.61	+0.0085	417	-415	1369.15	1360.26	-	-	1367.61	-
[Taiwan] 44.6886	+0.1617	465	-406	44.7403	44.4047	-	-	44.6886	-
[Thailand] 42.0008	+0.1649	674	-344	42.0570	41.7680	-	-	42.0008	-

† Rates for Feb 20. Bid/offer spreads in the Pound Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. Sterling high calculated by the Bank of England. Base average = 100. Indexes rebased 1/2/93. Bid/offer and mid-rates in both the D-Mark and the Dollar Spot tables derived from THE INVESTMENT CLOSING SPOT RATES. Some values are rounded by F.T.

† Rates for Feb 20. Bid/offer spreads in the D-Mark Spot table show only the last three decimal places. Forward rates are not directly quoted to the market but are implied by current interest rates. UK, Ireland & ECU are quoted to US currency. J.P. Morgan nominal indices Feb 20. Base average = 100.00.

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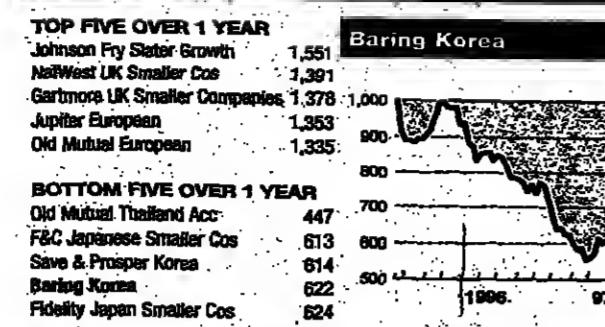
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UNIT TRUSTS

WINNERS AND LOSERS



Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

Indices

	1 year (%)	3	5	10	Volatility Ytd%
Average Unit Trust	1043	1141	1819	2391	3.3 2.6
Average Investment Trust	1159	1193	2148	2984	4.8 4.8
Bank Building Society	1032	1112	1220	1740	0.0 4.3
Stockmarket FTSE All-Shares	1195	1380	2057	3065	3.1 3.5
Inflation	1028	1082	1139	1533	0.4

	1 year (%)	3	5	10	Volatility Ytd%
Johnson Fry Smaller Growth	1551	1724	2488	- 3.9	0.6
Jupiter UK Growth	1189	1845	2858	- 3.4	1.8
Credit Suisse Fellowship Inc	1134	1496	- 3.3	3.1	1.1
Perpetual UK Exempt	1181	1479	2784	- 3.0	2.9
Savv & Prosper UK	1121	1461	2082	- 3.3	1.8
SECTOR AVERAGE	1121	1248	1912	2386	3.2 1.8

UK Growth & Income

	1 year (%)	3	5	10	Volatility Ytd%
Fidelity UK Dividends Growth	1147	1430	-	2.1	
Fleming Select UK Income	1201	1893	2075	2705	3.2 3.5
Prolific UK Blue Chip	1157	1372	2075	- 3.3	0.9
Perpetual Income	1123	1371	2389	2904	3.0 2.8
Lazard UK Income & Growth	1121	1365	1932	2506	3.1 4.2
SECTOR AVERAGE	1111	1221	1826	2545	3.1 2.8

UK Smaller Companies

	1 year (%)	3	5	10	Volatility Ytd%
Gartmore UK Smaller Companies	1710	2208	2784	3.5	0.3
Laurence Keen Smaller Cos	1237	1658	-	3.2	1.1
AES Smaller Companies	1212	1842	2375	- 3.2	0.9
INVESCO UK Smaller Companies	1551	2587	2563	4.1	1.1
Schroder Smaller Companies Inc	1503	1522	2434	2642	3.2 0.7
SECTOR AVERAGE	1197	1233	2040	2394	3.1 1.4

UK Equity Income

	1 year (%)	3	5	10	Volatility Ytd%
Jupiter Income	1198	1627	3248	- 3.1	4.3
Lazard UK Income	1141	1383	2135	3218	3.1 4.5
BWD UK Equity Income	1174	1361	2174	2711	3.0 3.6
River & Mercantile 1st Income	1118	1338	2190	- 3.1	4.1
Royal Life High Income Dis	1119	1320	1982	2264	3.0 3.2
SECTOR AVERAGE	1098	1184	1903	2803	3.1 4.6

UK Equity & Bond Income

	1 year (%)	3	5	10	Volatility Ytd%
Prolific Extra Income	1086	1230	1899	2491	2.7 4.5
Cazenove UK Equity & Bond	1121	1209	-	3.5	5.9
Guardian Balanced	1054	1203	-	2.1	4.6
Scot Widows Balanced	1065	1196	-	2.0	4.8
CIS UK Income	1092	1187	1818	- 2.7	4.1
SECTOR AVERAGE	1075	1118	1741	2193	2.6 5.4

UK Equity & Bond Income

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International Equity Income

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International Equity & Bond Income

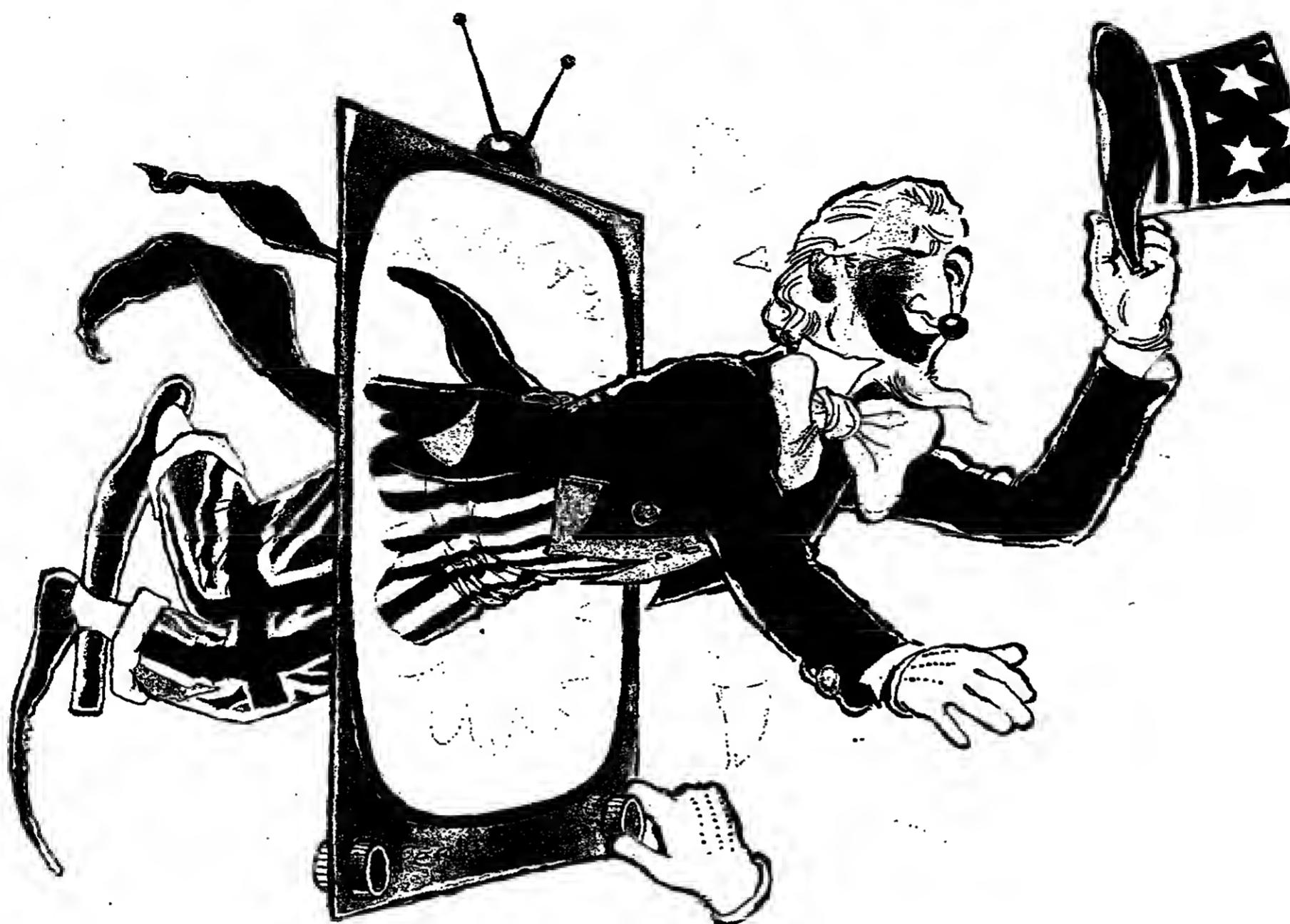
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Guardian Balanced	1054	1203	-	2.1	4.6
Scot Widows Balanced	1065	1196	-	2.0	4.8
CIS UK Income	1092	1187	1818	- 2.7	4.1
SECTOR AVERAGE	1075	1118	1741	2193	2.6 5.4

International Equity & Bond Income

	1 year (%)	3	5	10	Volatility Ytd%

</tbl_r

Weekend FT



American television is returning British culture. For decades, that very special brand of TV reviewer known as the media academic has presumed that all things bright and intelligent on US television sprang from a British invasion of ingenuity in the late 1960s.

Now, British viewers are consuming huge slabs of US comedy, end-to-end sitcoms that have otherwise well-educated, thoughtful individuals cracking corner-of-the-mouth jokes with origins in the Manhattan loft or the dysfunctional American family home. Where are the Brits with wit?

Just before Christmas, *Radio Times*, Britain's biggest listings magazine, announced BBC TV interrupts its normal service to bring you THE SIMPSONS with Homer and his family monopolising the cover. Now BBC1 starts its Saturday evening audience built with *The Simpsons* and their animated animus.

Channel 4 has taken to screening its fashionable American series in bunches - a critical mass of comedy: last night *Spin City* followed by *Roseanne*, and on Wednesdays *ER* followed by *Friends* followed by *Cheers*. The youth section of the British cognoscenti, traditionally so scathing about American television ("We send them *Monty Python* and *Family Ties* and what do they send us? Mr Ed, *The Beverly Hillbillies* and *The Brady Bunch*") cannot get enough of this sharp American stuff.

Having lapped up *National Exposure*, *The X-Files* and *Murder One*, Britain's young project managers, fashion buyers, software designers and law graduates have moved on to *Dark Skies*, *Frasier*, *Seinfeld* and *Third Rock From The Sun*, in which aliens attempt good citizenship on Earth.

Viewers chat about their favourites on the Internet, giggle again at one liners, and aspire to the lifestyle. Talk to American academics and it becomes clear that this reversal may not be sheer chance. With the expansion of higher education in the US driving demand, and writing at the top end of the business becoming more sophisticated, it could be that American television is beginning the diversification to satisfy the hyper-choice offered by dozens of digitised channels.

What is interesting, and perhaps ominous for the British, is that the UK industry is producing so little material which can compete for the attention of these interesting sitcom conversationalists.

There have been only 20 episodes of *Absolutely Fabulous*, the parody of London's high-fashion set, and some commentators, this one included, feel that *Men Behaving Bodily*, despite all the laurels heaped upon it and its renaissance yobs, are not new wave at all. The noise it has created sounds less like in-coming surf and more a latitudinal version of the "melancholy, long withdrawing roar" heard by Matthew Arnold on Dover Beach.

Drop the Dead Donkey, the TV newsroom take-off, does manage to sustain an ensemble strength and a gag density ratio to match the

If it's witty, it must be American

The British gave sitcoms to the world. But US comedies have usurped their old-world ancestors and are hitting new highs of sophistication. Christopher Dunkley reports

cross-Atlantic competition. But when American magazines celebrate the re-birth of "swinging" Britain, that clearly has more to do with street fashion, Britpop music trends and a revival of Olde England cooking than with television scripts.

Yet television was in the vanguard of that first "swinging" revolution in the 1960s. It was two ground-breaking British series from the BBC which, by common consent, transformed American television. Galton and Simpson's series about rag-and-bone men, *Steptoe And Son*, became *Sanford And Son*, with the colour of the protagonists changed from white to black, and Johnny Speight's *Till Death Us Do Part* became *All In The Family*.

In the switch between British and American versions, the appallingly bigoted yet ultimately lovable working class right-winger, Alf Garnett, became the bigoted but wise-cracking blue collar worker, Archie Bunker. What stayed the same was the immense popularity with viewers who had not seen such politically incorrect material on television before.

According to Tim Brooks and Earle Marsh in their *Complete Directory To Prime Time Network TV Shows*, one of the most valuable reference books about television ever published, *All In The Family* "ranked number one [in the US] among all series for five years, the longest time on top for any series in television history".

The immediate consequence was a string of "format deals" in which British comedy series were re-made with American casts and more or less subtle changes to suit American mores - one of the most successful being *Thames Television's Man About The House* which became *Three's Company*.

Don Taffner, whose company D.L. Taffner was responsible for that deal and others, points out two important differences between the British and American approach: "The British tradition is for an entire comedy series to be written either by a single writer or by a team of two." Johnnie Morimer and Brian Cook wrote all 39 episodes of *Man About The House*, for example.

"But American networks require many more episodes, and they frequently don't tell you until late in the day that they want, say, 22 over the next 30 weeks. So you have to use team writing for an American series, and that can have a major effect on the style of the programme".

Three's Company continued for 222 episodes and, says Taffner, grossed \$700m in network and syndication fees. There are even more extreme examples: *M*A*S*H* ran to 251 episodes, and many American comedies have employed scores of

writers. Compare that with *Family Ties*, arguably the best British sitcom ever made, which consists of just 12 episodes, all written by John Cleese and Connie Booth.

The effect of the success of those British formats upon American television was profound. Dick Fiddy, television researcher at the British Film Institute, points out that although the "Hi Honey, I'm home" style of family-comedy did not entirely disappear, in the 1970s, the US schedules began to fill up with home-produced series which borrowed a hard-edged social awareness from their British predecessors.

Brooks and Marsh note that in the wake of the British series "came spin-offs (*Maude*, *The Jeff*...)

ers) and a new wave of shows dealing with issues television had scarcely ever touched before: interfaith marriage (*Briget Loves Bernie*), anti-war sentiments (*M*A*S*H*), life at the bottom of the economic ladder (*Good Times*, *Chico And The Man*). *Maude* had an abortion, and Edith Bunker was attacked by a rapist - comedy had never been like this before!"

According to this thesis, the origins of virtually aware television fiction in the US today - drama as well as comedy - can be traced back to that Anglo-American base in the 1970s.

But if it all began with the BBC, why, in 1987, are fashionable Brits devoting so much attention to American comedies?

Barry Took, whose script writing credits stretch from *Round The Horn* on BBC radio to *Rowan And Martin's Laugh In* on American television, is clear if unhappy about the reasons: "There was an atmosphere of freedom and enterprise in British television in the 1960s and 1970s. Today, many of the people running the UK industry don't know much about programmes, they dread making mistakes, so - where ITV is concerned, for instance - they don't make anything. Not in the way of proper comedy, anyway."

Jay Parini, Professor of English at Middlebury College, Vermont, reckons the supply of more intelligent American material is emerging to meet a demand: "What you're seeing is a great belatedness of television developing to serve an expanding population of second-generation people with college educations. This is a vast new middle class which is looking for new and more sophisticated forms of humour."

"I hate television, but even I find myself drawn to *Seinfeld* and *Friends*: they are so much better written than television shows used to be."

Another American professor of literature, Elaine Showalter at Princeton, who also writes about television, sees significance in the development of technique: "American television comedy is now being constructed differently. You're getting spill-over from

drama. The cast develops over time. You see it in *Friends*, for example. It's not just their haircuts that change, it's their characters. In the past that didn't happen in comedy."

Where *Lucy* and *Bilko*, the two monster American hits of 1950s comedy, were the same week after week (that was the very attraction), today's comedy characters exert the sort of pull on the viewer that occurred previously only with the most powerful sort of drama serial.

But virtually every new British effort today seems, astonishingly, to involve abandoning the industry's greatest strength: its writers. The new shows turn instead to the comedians themselves, to disc jockeys, presenters, sportsmen, and women who specialise in being *Womans*, to provide "new" comedy.

So much of the effort which British television would once have put into *Steptoe And Son* and *Till Death Us Do Part* now goes into *Fantasy League Football* (studio, couch-bound chat, jokes, and musical interludes devoted to soccer) to *Never Mind The Buzzcocks* (studio bound chat, jokes and musical interludes devoted to old pop music) to *The Mrs Merton Show* (studio bound chat, jokes and musical interludes devoted to minor TV celebrities) and a host of other instantly forgettable series.

The chief attraction to the networks appears to be that the couch comedy can be made quickly, cheaply, and without a fraction of the offence which was caused by the ground-breaking sitcoms.

It is as well to keep matters in proportion, of course. Dick Fiddy points out that while the sophisticated American comedies may have a high profile thanks to the type of viewer they attract, their audiences are of only between 2m and 4m, whereas a repeat of a six-year-old episode of *Only Fools And Horses*, the dodgy market-trader series, achieves 10m.

And Professor Jane Feuer of *MTM, Quality Television*, says that while she was among the early champions of American sitcom, and agrees that there has been an increase in sophistication in the American output, it is still inconceivable that an American network would carry anything as sexually outspoken as *Absolutely Fabulous*. She also asserts that US television is currently going through its worst season ever.

Yet the trend is unmistakable. While television at one extreme is dumbing down to levels of inanity previously unseen even on American screens, at the other extreme we are beginning to find a rapid increase in the production of the sort of urban and witty material long regarded by the British as their special strength.

It is the Americans who are easiest at both extremes, so if the endlessly hyped digital multiplicity of the new millennium does become a reality, it is the American television industry which will be best placed to supply its demands. British television, meanwhile, seems to be marching backwards, away from the frontiers, into Bronteland, all bustles, breeches and broughams.

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PERSPECTIVES

The Nature of Things

Look who's talking in a foreign tongue

Ambiguities baffle computers, says Andrew Derrington

Computer translation is famous for generating embarrassing errors. An early system produced "The vodka is good but the meat is rotten" from the sentence "The spirit is willing but the flesh is weak", by translating it from English into Russian and back. Howlers such as this haunt modern computational linguists who use linguistic theories to design computer programs for producing and analysing language either alone or with human assistance.

One of the difficulties in computer translation, says Donia Scott, a computational linguist who is head of the Information Technology Research Institute (ITRI) at Brighton University, is that of ambiguity. "A document to be translated is a representation of information that must be expressed in the second language," Scott says. Not only can the same piece of information be expressed in many different ways in either language, frequently the same sentence can have several different meanings.

In spite of this, modern machine translation systems can be very reliable. At least one multinational computer and electronics company uses computers to translate its instruction manu-

als into foreign languages. The ambiguity problem is solved by writing the documents in controlled languages - a subset of the original language which contains no ambiguities. A sentence in a controlled language can only have one meaning so it can be translated directly into a foreign controlled language without errors.

However, producing a high quality translation remains time-consuming and costly. Companies that need to produce manuals in many languages are turning to computational linguists for new ways to reduce the time spent on translation and still achieve good quality manuals in several languages.

More problems occur when manuals need to be modified. They are particularly acute in the aircraft industry. Aircraft have huge quantities of documentation. According to Phil Marchant of British Aerospace Defence at Warton in Lancashire, the bid to produce the replacement for the Nimrod maritime patrol aircraft weighed more than 3 tonnes.

Any modifications to an aircraft make it necessary to change the manuals. Sometimes the changes must be made decades after the manuals were written.

The Canberra, still in service after more than 50 years, has undergone three modifications in the last two years, Marchant says.

Finding all the parts of the manuals that need to be changed is a huge problem which British Aerospace Defence are trying to solve with "innovation and technology", says Marchant. They recently collaborated with the French company Dassault Aviation and Edinburgh University to produce a prototype system called Ghostwriter, which enables a computer to do a large part of the work of producing and modifying manuals.

The same problem is being addressed at ITRI, who are collaborating with software companies and technical writers to produce Drafter which generates drafts of software user manuals in French and English.

Ghostwriter and Drafter consist of two main parts: a domain model, which represents all the technical information needed to service the aircraft; and a text generator, which translates the appropriate parts of the model into human language.

Different text generators are used to produce manuals in English and French. Ghostwriter and Drafter use well-established



Excess baggage: when the aircraft is modified, so must be the manuals in their many languages

techniques for representing data, because any change made to the domain model automatically causes changes in all the relevant manuals. New language versions can be produced easily by adding text generators.

The text generators in Ghostwriter and Drafter may not save much time in producing the first version of a manual. Expert document writers are still needed to help build the domain model. However, it is easier to keep manuals up to date, because any change made to the domain model automatically causes changes in all the relevant manuals. New language versions can be produced easily by adding text generators.

Systems like Ghostwriter and Drafter depend on analyses of large bodies of appropriate text to produce, among other things, a lexicon of the appropriate words and situations for their use. The same analyses can be applied to different bodies

groupings AB, C1, C2 and DE, and from 38 areas round the UK.

The men's top 10 words were grand (meaning 1,000). That bloke, against, a fist, Da (as in Da di da), The, Jesus and Engine. The women's list was she, her, cooking, shopping, lovely, kitchen, likes, apples, thought and made. Vive la difference!

■ The author is professor of psychology at the University of Nottingham.



Taking chances on the board: Martin Armitage-Smith has invested a lot of time and money in Snap Election

Anne Counsell on a venture with a little bit of sleaze and passion

Minding Your Own Business

Playing the game of politics

By Anne Counsell

It is hard enough to plan the launch of a new business without the vagaries of politics. However, when the venture in question is a board game called Snap Election: the window of marketing opportunity comes around only once every four or five years.

Such was the difficulty facing Martin Armitage-Smith with his game. He invested £20,000 of his own money in the project, plus many weekends, evenings and hours devising, planning and producing the game. There was an ever-present danger that it would all come to nothing if prime minister John Major called an early election in the UK before the project was ready.

While political commentators could afford the luxury of speculating on the election date and punters could place a small bet on it, Armitage-Smith had much more at stake. He had put not just his time and personal savings into making the game ready before an election, but also his every hope. And, just in time, it is ready and will be in the throes of full promotion before the general election.

Armitage-Smith has always had a keen interest in politics and for long enjoyed board games. Developing his own political board game, therefore, came quite naturally, starting as a hobby and progressing into a business venture when he realised its potential.

In many respects the development of his venture has mirrored the main components of good board games - timing, luck, strategy and avoiding the banana skins.

It was on the timing front that Armitage-Smith encountered his first main problem.

The board game industry

works on long lead times,

with manufacturers planning well over two years ahead for a Christmas launch, the established springboard for promotion.

He began working on the project in October 1985. By

normal schedules for board game launches, this would have made it ready just in time for the Christmas 1987

market - seven or eight months after the general election and its ideal launch date.

Armitage-Smith, therefore,

decided to kick-start the process himself. Going it alone, however, meant drawing on his own savings, rather than

gaining investment from manufacturers, and relying on the goodwill of family and friends to help devise the basis of the game.

Shortly after embarking

on the venture, he experienced his first stroke of luck - he came across an article in the Weekend FT's Minding Your Own Business column about Drumond Park, a company manufacturing board games. This was the contact he needed - he had

the idea and Drumond Park had the manufacturing facilities and experience to make it a reality.

Armitage-Smith also utilised the talents of a friend,

Tim O'Reilly, a PhD graduate in fine and graphic art, to help design the board while he himself worked out the complications and logistics of the game. The result is a fast-moving game. Pace is maintained by layers of complexity and hazards: the political wilderness, banana skins, sleaze, political time-bombs and, at the centre of it all, the media circus.

Snap Election also has a subliminal message - the

brightest colour in the

political circus is that of the media

circus, making a subtle statement that getting the right messages across is more important than sound policy.

Armitage-Smith says his main idea was to give the voting public a chance to be

more than yawning observers,

sifting through the

newspapers and gazing at

the television, throughout

the general election campaign - players of his game

could turn themselves into

would-be MPs who have to

garnish votes from the board,

which represents a constituency.

Snap Election, he says, offers voters the chance to be

protagonists in the electoral procedure. But you have to take your chances, just like the real thing and sometimes the players have to face the option to take a sleaze card, which forces them to choose between the moral high ground or playing dirty.

Sleaze is a key feature of

the board game and it also became the thrust behind Armitage-Smith's marketing strategy. With a stall booked at the International Toy Fair held in London last month, Armitage-Smith came up with a ploy to catch retailers' attention - he and several others wore displayed, bright pink "sleaze slogan" T-shirts based on the cards in the game. It worked. Several agreements with selected retailers are in negotiation and he has agreed a marketing and distribution deal with Politico's, a political book store, memorabilia outlet and coffee shop in London.

The interest generated at the toy fair enabled Armitage-Smith to increase his initial print run of the game from 1,250 to 2,000 units. However, due to development and start-up costs, the venture is still running at a loss. If there is sufficient interest to warrant a second print run, Snap Election may start to break even in the summer, with the potential for generating profit in the traditional board game season at Christmas.

Convinced of the durability of the game, Armitage-Smith is thinking of adapting the game for Germany - the world's biggest board game market - and possibly the US. "The combinations are the hard work, and that's all done," he says.

"The detail is in the cards, so it could be adapted for different markets."

■ Martin Armitage-Smith, Prowler Productions Ltd, London, telephone/fax: 0171-402 8083.

Gardening / Robin Lane Fox

A holy trinity of spring chores



weeding easier as you can uproot or hoe the next crop of seedlings in its light, spongy blanket without digging deep into difficult soil. If you can do it, it is a god-

send.

Perhaps, like me, you have

up to 2 acres and no regular

gardener. You probably fail

to make enough weed-free

compost to cover your long

borders. You have to buy it

in and distribute it and

unless you live in an urban,

small rat-run, you have to

set aside time and money for

the job.

I have taken to using the

rotted bark and shredded

prunings which pile up from

a local tree-surgeon. He will

deliver a garden truck-load

for £50 and I am up-grading

to two truck-loads a year.

Meanwhile, the mulch

helps to keep a clean border

in a clean state. It makes

bought in bags from a local store. In fact, there are many possibilities: used mushroom compost is a favourite, but the bedding from deep-litter chickens is even better, as it is very rich in food.

Decomposed sludge and green waste is also a good option. The best way to attack this problem is to search the local Yellow Pages, ringing mushroom farms, chicken farms, green waste managers and forestry yards within convenient reach.

At this time of year, the villain to avoid is farm manure. You are highly unlikely to be offered fully rotted manure which is not teeming with weeds and grass-seed. Farmers will say that their manure is rotted, but it is almost certain to be still thick with straw.

There is a widespread belief that mulch has to be manure or chopped bark

to be effective. This is not true. Any mulch will do the job, provided it is applied at the right depth and

consistently. It is not the mulch itself that matters, but the

amount of water it retains and the way it affects the soil.

Round trees, you can be

more generous because you

want to keep in the rain

which has now fallen and

minimise water loss if we

have another dry season.

When the mulch is on, the final coup is to apply a weed-killer based on Simazine which inhibits the germination of subsequent weeds. It is hard to use these chemicals accurately in a fully planted border, but it is easy to exploit them round trees or shrubs which are in their second or subsequent year.

The slow-release fertiliser feeds the root underneath: the mulch keeps in the dampness and eventually helps the soil; the light spraying of Simazine prevents surface weed, but it must be applied when the ground is wet.

Only then will it work in and round off the least described trinity of garden activities which make the difference between a summer of ceaseless struggle and one which is almost within sight of dominance over the ground.

Round trees, you can be

more generous because you

want to keep in the rain

which has now fallen and

minimise water loss if we

Spring flowers are late this year but spring gardeners cannot afford to be late, too. Much is written about planting and designing new gardens, playing around with the colours of flowers and pruning. Less is written about how to control the garden once you have laid it out or bought it. And none of us wants to be prisoners to the ground, however much we enjoy it.

The next five weeks are critical in the management of a garden which is slightly too big for me. At least I know this hard experience from first-hand combat. There are dozens of jobs which could be done, including the spiking of all the lawns; a respected Oxford head gardener tells me each February that he is achieving effective penetration, but the students continue to run all over his penetrated fields. Meanwhile, I leave my own mediocre lawn as a last priority and turn to three fundamental jobs before the grass has to be cut.

The first has been trans-

formed by improvements in the chemicals on offer to amateur gardeners. It is now possible to fertilise the garden in one scatter, leaving the chemicals to release slowly throughout the forthcoming season. The older fertilisers are not entirely redundant, but I have gone over to the slow-release varieties which nurseries have been using quietly for some years. In large pots and containers, I opt for Osmocote, which can be hard to find. On the main flowerbeds, I use Vitax Q4 which is on more general release and is well proven.

If in doubt, go to your nearest agricultural store and general supplier. Mine is offering 25kg bags of Vitax at £26 each, four times its price for good old Growmore, but worth the investment as it will continue to release

itself throughout the main growing season and is sufficient to feed the border without being used up in one go.

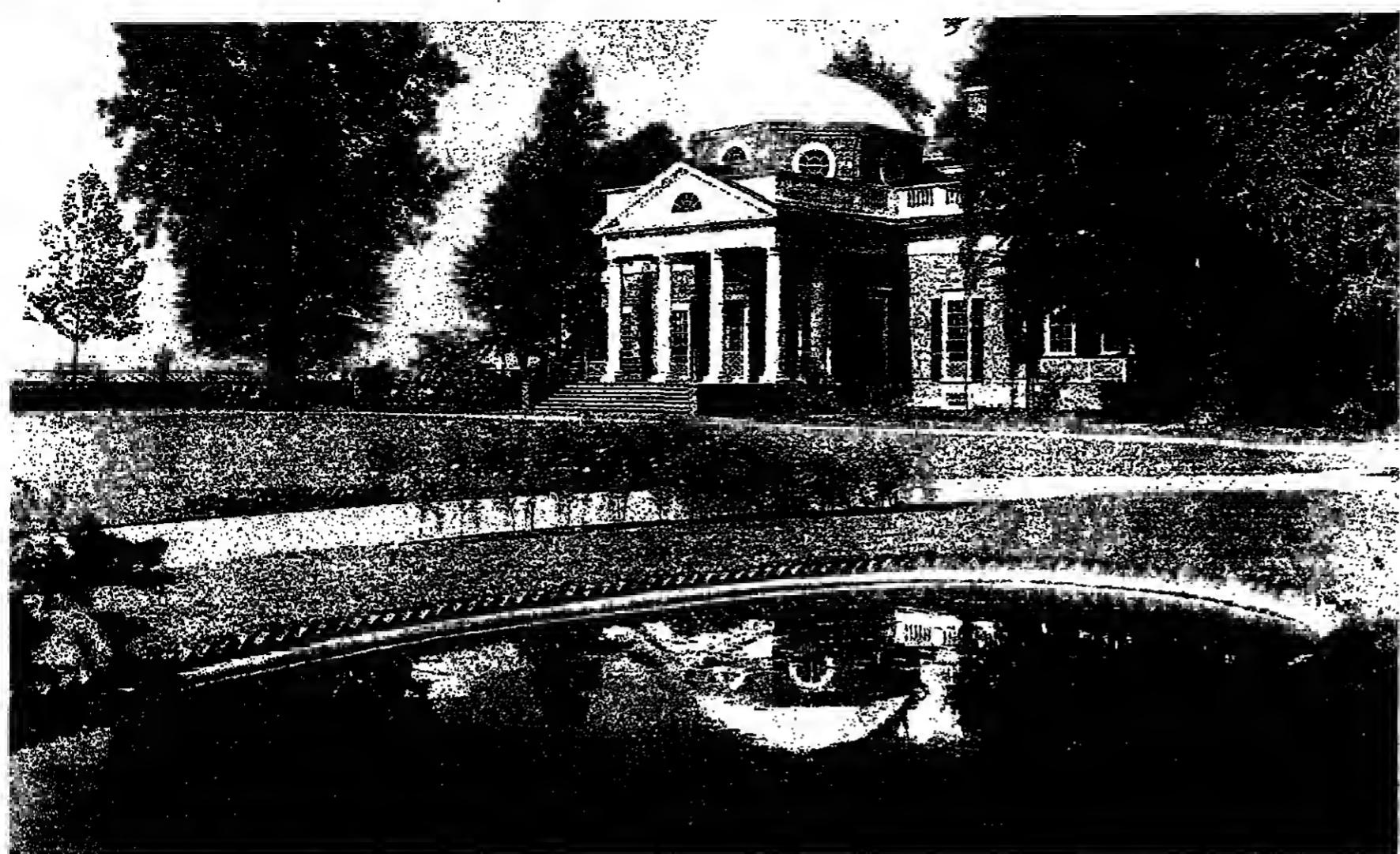
There is no magic to its application. The surface of the flowerbeds should be thoroughly free of perennial weeds, as you do not wish to over-activate them too. Beds need to be lightly pricked over during the next few weeks with the tips of your fork. When they are clean, apply the Vitax and hope for a wet spring and summer which will encourage its proper action.

Opinions vary, but I prefer to have the Vitax on first by the third week in March and then to place a mulch on top of it when the spring rains have worked down into the soil and left moisture worth keeping in the bed beneath the mulch's protective blan-

ket. Mulching is the great short-cut, but it needs management and not too shy an attitude to the bills.

The aim is to blanket a bare flowerbed with a layer of weed-free, rotted bark and shredded prunings which pile up from a local tree-surgeon. He will deliver a garden truck-load for £50 and I am up-grading to two truck-loads a year.

PERSPECTIVES



Simple, classical, rational: Monticello, the house featured on the back of the nickel

Picture: Corbis-Bettmann/UP

The president gardener

Justin Cartwright says you can learn a lot about Thomas Jefferson from his house and garden

Founding Father Thomas Jefferson lived so full a life that he continues to exert a powerful influence on the American psyche. What seems to be lost from patriotic view, however, is that he was an American version of the enlightened English 18th century gentleman. He helped to draft the Declaration of Independence, became the third president of the US, from 1801-1809, and tried to bring an end to slavery. But being a slave owner himself and a supporter of the French Revolution, his democratic and multi-cultural credos have come in for particular scrutiny.

In search of the real Jefferson, I visited Monticello, in Albemarle County, Virginia, the great house he built on a mountain top over a period of 60 years. You can tell a lot from a man's garden.

Jefferson applied his energies to his garden and house with an enthusiasm that was not matched in his political career. Monticello is his *chef d'œuvre* which expressed his love of invention, classical form, landscape, rationality, good company, books, wine, botany - the life well considered and applied.

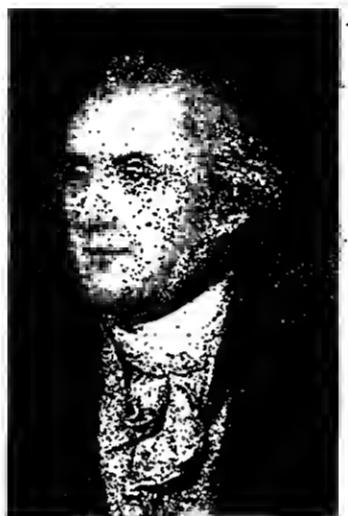
The west face of the house is featured on the back of the five cent piece, the nickel. And this view set off by a giant oval-shaped lawn, with its huge trees, some planted by Jefferson himself, is a picture of the kind of America that Jefferson envisaged: simple, classical, rational and free of monkish superstition and ignorance. This is still the sort of America that many Americans long for. Monticello is small compared to a grand English country house, and it has a rather endearingly homespun feel.

From the west lawn you do not see that there is a tunnel under the house which was used by the slaves. (At one time Jefferson had nearly 200.) It links the underground stables, kitchens and slave quarters, without disturbing the beauty of the hill-top site.

While Jefferson and his Virgin-



Thomas Jefferson chairing the committee that drafted the Declaration of Independence



C.W. Peale's portrait of Jefferson: a slave owner opposed to slavery

ian clubs sat under the trees discussing science, architecture, horticulture and their annual race to produce English peas, the slaves were underground, fetching the wine, preparing meals, bringing in fruit from the orchards, and even, it is said, bearing his children.

There is not a single reference to Monticello in the index of *The Long Affair*, a book by Conor Cruise O'Brien, the Irish writer and politician. O'Brien contends that Jefferson is not a suitable hero for contemporary America because he was a slave owner, an advocate of the deportation of freed slaves, and an admirer of revolutionary violence ("the tree of liberty must be refreshed from time to time with the blood of patriots and tyrants. It is nature's manure").

How easy to sneer at Jefferson's hypocrisy. How easy to see the contradictions from the vantage point of the multi-cultural world. How easy to read into this a distortion of the political process, or a disregard of the exacted principles of the Declaration of Independence or the self-seeking of a land-owning cabal.

Jefferson did not place his political career very high on his CV. In the inscription on his tomb in the grounds of Monticello since 1975, when he started as a research assistant and there

is almost nothing he does not know about Jefferson the architect and man of science.

It is an architect, trained at the University of Virginia, and using Jefferson's notes and plans, aided by archaeological studies, has rebuilt the pavilion which looks east over the forest, and has drawn up the plans for most of the restoration of the grounds.

Hatch started work two years ago, as superintendent of grounds, the first professional horticulturalist to be employed there. Hatch has studied Jefferson's Garden Book, his letters, and his Account Book which recorded his every transaction. Hatch now presides over a large substantial team of gardeners and students.

Drawing on all these sources, he and Bieswanger are trying to put Jefferson's plans into effect, sometimes without being certain if Jefferson actually achieved them. It seems Jefferson had too many ideas, and was often unsuccessful in implementing them.

The gardens, which Jefferson loved and where he grew hundreds of varieties of flowers, fruits, vines and trees, were in a constant state of change, blighted by the humid weather, thwarted by unsuitable plantings, and disrupted by Jefferson's restless

experimentation.

What Jefferson was trying to do, as Bieswanger and Hatch have shown, was to create a *ferme ornée*, a working but aesthetically pleasing farm, by "interspersing the articles of husbandry with the attributes of a garden".

In 1807, as his presidency was half way through its second term, Jefferson began planning a great burst of planting and landscaping. His letters show that he longed to get back to the soil. He wrote: "No occupation is so delightful to me as the culture of the earth, and no culture comparable to that of the garden."

Hatch is an expert on old plant types and has conducted extensive, and obviously expensive, research into the plants Jefferson founded and designed.

McMahon sent Jefferson thousands of plants particularly newly imported or discovered varieties. Jefferson recorded his trials of lettuce, artichoke and red celery diligently.

Hatch has probably surpassed Jefferson in his recreation of the spectacular vegetable garden on a terrace; and he has managed to recreate the north-east and south-west vineyards using a form of espalier which Jefferson advocated.

Hatch's wine vintage has had a mixed reception, but his vines are at least surviving with the aid of modern techniques. Jefferson failed utterly in his stated objective of "making at home a good wine".

William Jefferson Clinton recently confused the Declaration of Independence with the Constitution, demonstrating that the red, white and blue fog, which has for so long enveloped the Founding Fathers, is still dense.

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Branded
'wicked'

Hugh Dickinson argues



Sketches of Spain: schoolgirls celebrate the festival of Trujillo

Female designs for living

Jeremy Myerson on why the building site is a battle ground for the sexes

Anyone who has followed the shabby treatment meted out to Zaha Hadid, the thwarted competition-winning architect of the Cardiff Bay Opera House, will recognise just how tough it is for women architects to succeed. Architecture remains a ridiculously male-dominated profession and the building site a battle of the sexes. This is despite growing evidence suggesting that traditional male design preoccupations with power, control, intellect, systems and the machine are inadequate to respond to our fears about the future of our cities and the fragility of our environment.

It is bad enough in Britain where only 10 per cent of registered architects are women, and the only female recipients of the RIBA Gold Medal - Ray Eames and Patricia Hopkins - were given their prestigious gongs for work in partnership with their husbands. But it is even worse in the US, as the editors of this new American anthology of feminist academic writing point out. Over there, the number of female architects is around 8 per cent, no woman has been given a nationally significant building commission, and women have little or no representation either as architectural critics or educational policy makers.

The Sex of Architecture

sets out to redress the gender balance. Its 24 essays are drawn from women in US universities and practices who want a radical rethink of the entire philosophy of architecture. The thesis that eventually emerges says that the best answers to such diverse challenges as ageing populations, cultural diversity, ecological damage and information overload are feminist ones in which teamwork, shared knowledge and ethical standpoints replace the traditionally self-

ish pursuits of the solo virtuoso (male) designer.

Along the way, many received "truths" are questioned: that man builds and woman inhabits; that man is connected with production and the city, and women with consumption and the home; that man is public and woman private; that nature is female and culture - "the ultimate triumph over nature" - is male. As one writer puts it, "Everyone's first environment is e

A resonant theme of the

THE SEX OF ARCHITECTURE
edited by Diana Agrest, Patricia Kanes and Leslie Weisman
Harry N. Abrams \$19.95,
320 pag es

book deals with the dichotomy in American popular culture, particularly movies, between the city as evil and the countryside (and later the suburbs) as good. Christine Boyer points out in an excellent study of the role of the femme fatale in *film noir*, how the city "is a locus of alienation and depravity, a dangerous and transitory place of unexpected happenings and surprise endings, a land of used car lots and fleabag hotels..."

Joan Ockman, meanwhile, contrasts the masculine image of the New York office block, Lever House, an icon of international style modernism designed by SOM in 1952, with Bernard Hoffman's 1949 photograph in Life magazine of Levittown, the embodiment of suburban domesticity. How, she asks, can two such contrasting strands coexist in postwar American architecture?

Part of the answer lies in the acceptance of the machine-age Euro-modernist aesthetic at work in public, this might begin to tell you

Hispanic digressions

Tom Burns enjoys a trip through Spain's rich network of hidden byways

Romantic writers rushed to Spain last century when it was a cut price and altogether whackier grand tour. They ached about the Alhambra (Washington Irving), lusted after loose-limbed Carmen (Theophile Gautier) and fretted about failing to encounter bandits (Hans Christian Andersen). Richard Ford's *Handbook for Travellers in Spain*, elegant, erudite and accurate, was the exception to the rule.

Better writing by foreigners about the country, its people and its culture, started this century with Walter Starkie and Rose Macaulay, and continued with V.S. Pritchett and Jan Morris. The best of this literary international brigade (Spaniards called them *curiosos impertinentes* 100 years ago) was Gerald Brenan, whose curiosity about his adopted country was always fuelled by an informed and engaging empathy.

Cees Nooteboom, an unconventional Dutchman, a linguist, poet and novelist, is

the hispanist that every Brenan aficionado has been waiting for. He has produced a book that will entirely satisfy those who have read everything that Don Geronio wrote about Spain and wished he had written more. As it was with Brenan, so it is with Nooteboom: Spain is "the love of a lifetime, the amazement is never ending."

ROADS TO SANTIAGO
by Cees Nooteboom
Harvill Press £18, 352 pages

Gracefully written, wry, wise, and exceptionally well illustrated, *Roads to Santiago* carries a clumsy subtitle - *Detours and riddles in the land and history of Spain*. It is difficult, however, to describe better what Nooteboom wants his public to share. His literary, artistic and historical digressions place his book alongside the very best in the travel writing genre.

The detours are well-worth following firstly because Spain possesses an extraordi-

narily rich network of hidden byways: "Beyond the Pyrenees lies an entire continent, mysterious, secluded, unknown, an ensemble of lands with their own histories, their own languages and traditions..." And secondly because there are very few travellers around like Nooteboom who possess the sort of maps that show such secret paths. Locked-up churches don't defeat him; he always finds the old woman or man in the village who keeps the keys.

In a "different and yet the same life" Nooteboom tells us, he went to a monastery in Achel, on the border with Belgium, kissed the abbot's ring and said he wanted to be a Trappist monk. The abbot handed him the life of Abelard - in Latin - a notepad and a pencil and said "Why don't you begin by translating this text and when you've finished it, we'll talk again."

He got as far as page 10 before he set off once more on his travels. The Achel community's loss was the intelligent reader's gain. The

fallen Trappist, for example, knows how Zubaran, "doomed by circumstances" to paint whitefriars, blackfriars and greyfriars (they were his patrons and masters) did not actually paint monks. "He painted habits. He painted material."

Nooteboom's enthusiasm for riddles leads him to the hair-raising 9th century commentaries on St John's Apocalypse that were written by Visigoth clerics in the north of the country to combat heresies that were spreading further south in Moorish Spain. He uncovers the cramped hermitages that the clerics inhabited in the Cantabrian mountains and he traces the passage of the images they conjured up from illuminated manuscripts to the capitals of monastic cloisters.

Some detours/riddles are magnificently conveyed. In Aragon he tracks down a monastery where the "two sides of the perfect Romanesque arch come together in the faintest imaginable angle, a dent so faint as to be almost invisible... an

upward thrust that is turned to stone in flight, motionless like a rocket photographed just after blast-off, when it hovers above the launching pad". Not for Nooteboom the hairsplitting debates about transitional buildings; in that arch he is witnessing the birth of Gothic art.

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The missionary's young wife, Clara Musson, is uprooted from her provincial English potteries town and taken to these alien surroundings of Rhodes' Africa. Clara's eventual lover, a Hussar captain, is told by her evangelical husband, "Mr Rhodes's company pays the War Office for your regiment to be here."

The Missionary's Wife is an exciting tale of high romance, war, adventure and the complexities of human relationships in exceptionally difficult circumstances. There are none of Sterne's digressions so much approved by Skvorecky: everything is straightforward, gripping, and chapters end on a climax. A thoroughly good story is well told in clear uncluttered style.

The novel finishes with an African equivalent of Custer's last stand, and a satisfactorily happy ending back in the old country where the missionary had originally proposed to Clara by "the sooty railings of the municipal Park" and "the gas-lamps glowed like haloes in the evening fog". The 1890's atmosphere is further authenticated by Charlotte M. Yonge novels, Royal Academy exhibitions and Gunter's ices. All the necessities for a brilliantly successful screenplay lie within this text. I look forward to the film.

Fiction/Brian Martin

Love, war and death by violence

One time some of these Czech refugees advocated establishing their own community in the US: "Are you kidding? A community of pure Czechs... the first thing they'd do is break into two separate communities."

"Or three," said Stejskal. "Not much hope for the future EC there."

The myriad pattern of relationships and individual stories in the narrative, accommodated by every conceivable device, flashbacks, use of italics to indicate the past, the leapfrogging of indirect narration, gives *The Bride of Texas* epic proportions. Skvorecky takes as an apogee Sterne's defense of his own writing

that his digressions are "all fair" and that although he "flies off", the "main business does not stand still" in his absence.

In Skvorecky's case affairs

THE BRIDE OF TEXAS
by Josef Skvorecky
Faber £16.99, 624 pages

THE MISSIONARY'S WIFE
by Tim Jeal
Little, Brown £15.99, 346 pages

are not so carefully "ordered": sometimes his writing is too diversionary, digressive, fragmentary, and there is a certain amount of narrative dislocation against the background of drenching South Carolina rain and blazing North Carolina turpentine forests.

Skvorecky reports the horrors of war which his characters have to endure, a negro soldier beheaded by a cannonball, General Polk cut in half by another, but Tim Jeal spares us no realistic ghastly detail of living, or rather dying, in Africa in the 1890's - massacres, murders, death by assegai thrust,

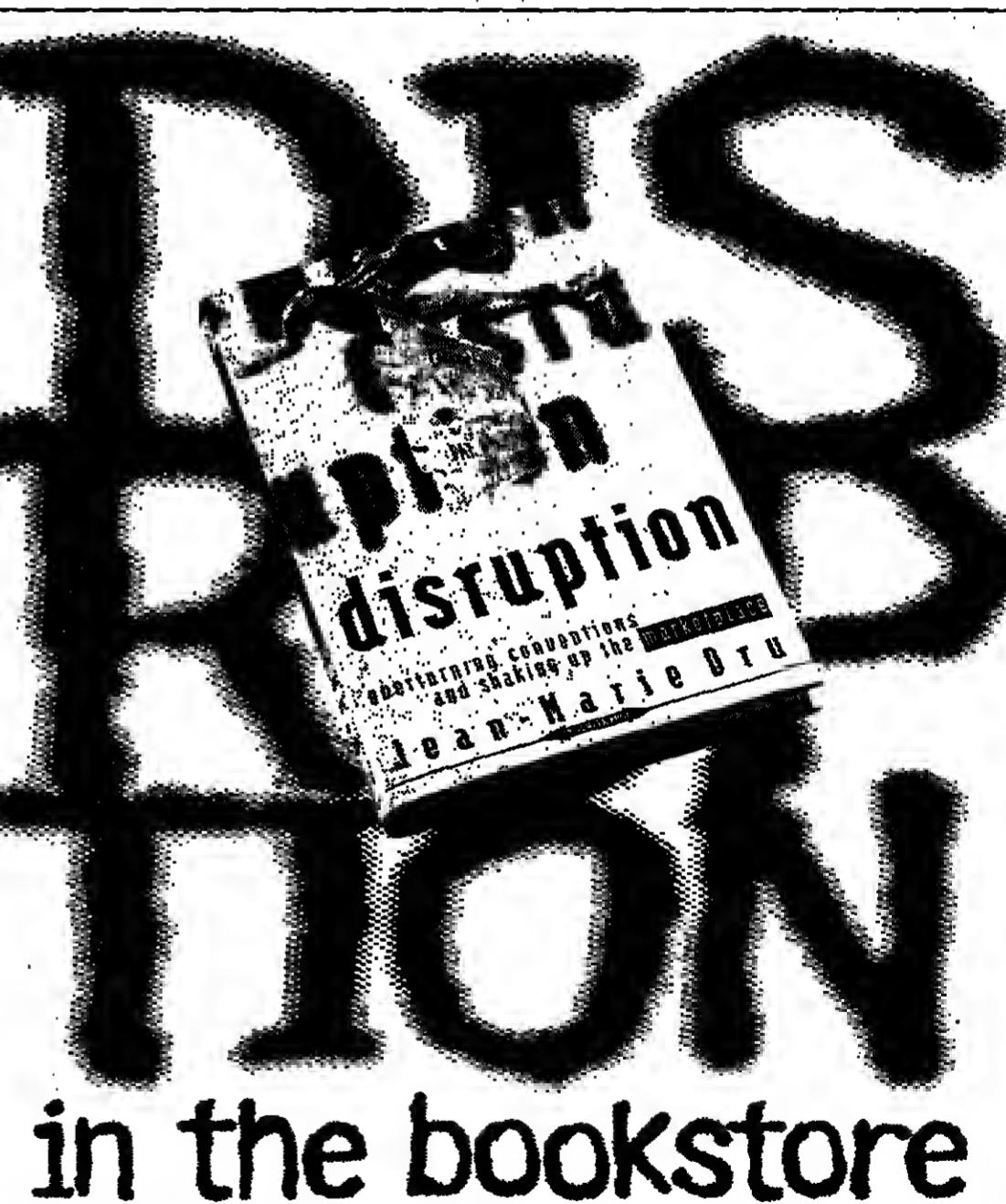
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The deadliest of the species

Michael Thompson-Noel on why human males are violent

We are apes, OK? Nasty, brutish apes - a type of primate - capable of horrendous violence, from rape and murder to war and genocide. I am referring to human males, whose genetic inheritance contains some element from their rainforest and woodland past that makes them the deadliest creatures to

DEMONIC MALES: APES AND THE ORIGINS OF HUMAN VIOLENCE
by Richard Wrangham and Dale Peterson

Bloomsbury £16.99, 350 pages

have arisen since the dawn of the Cenozoic era 65m years ago, when the asteroid collision that killed off the last of the dinosaurs cleared the way for radical evolutionary experimentation.

Yet many people are incapable of viewing themselves as members of an animal species, often because they are victims of religious befuddlement, though pride or ideology may also be the cause. They tell themselves: humans have big brains, language, morality, culture. God created humans to be a species separate and distinct. Humans are unique.

Yes, humans are unique. But so is every other species. And, for most of our time as primates, whatever was unique about the human line wasn't anything human.

Perhaps such an insight

will help men get a grip on themselves, for human violence mainly means male violence, say Wrangham and Peterson. Wrangham is a professor of anthropology at Harvard, Peterson a university lecturer and primatologist who has already produced a memorable study of the primate world, *The Deluge and the Ark*.

Demonic Males deserves to be a best-seller. Men should buy it for women, to help women sympathise with the male affliction of testosterone - one victimhood, which drives men to violence. Women should buy it for men, to help men see that their inclination to rape, kill and vanquish is rooted deep in their genetic being.

How deeply wrong. Chimpanzees kill each other and eat monkeys alive. And they

will help men get a grip on themselves, for human violence mainly means male violence, say Wrangham and Peterson. Wrangham is a professor of anthropology at Harvard, Peterson a university lecturer and primatologist who has already produced a memorable study of the primate world, *The Deluge and the Ark*.

There are female criminals of every stripe and spot. But as a globally consistent trend, men are far more violent than women. In the US, a man is about nine times as likely as a woman to commit murder, 78 times as likely to commit forcible rape, 10 times as likely to commit

armed robbery, and so on. So

are closer relatives of

humans than of gorillas. Not

surprising, then, that human and chimp males both display the same features of inter-community violence - an appetite for engagement, the excited assembly of a war party, stealthy raiding, ability to estimate odds, gang-killing - as well as the same propensity for violence to individuals (primarily other males).

At the heart of *Demonic Males* is an engrossing discussion of the possible reasons why our ancestors changed from rainforest to woodland apes. The answer was almost certainly to do with food - roots, quite pos-

sibly. But change they did, and swiftly, from primitive tool-shaping, meat-eating creatures 2m years ago to agriculturists 10,000 years ago and gunpowder inventors 1,000 years ago. Yet

what about our old ape brains? Did we jettison them, or is the elaborate, anxious, prudential, superstitious, self-deluding edifice of cerebral material that makes up our humanity still deeply infused with the essence of that ancient forest brain?

Orangutans and gorillas are less violent than chimps and humans. But the fifth ape species, bonobos, are

positively gentle. Until 1928,

bonobos were mistakenly thought to be small chimpanzees. As it happens, they are radically different in temperament to killer chimps and humans. One of the keys to bonobo non-violence is thought to be exceptionally strong female bonding, including sexual bonding. Yet why should that make a difference? The answer, again, is thought to trace back to food. In short, relative levels of violence among present-day apes, including humans, may be

explicable in terms of what their ancestors ate, and whether they had to fight ape rivals to guard its supply.

Optimists looking for a happy ending to this book

will be cast down, for Wrangham and Peterson offer no great hope that human male violence can be tamed or reduced any day soon. On the other hand, they write,

"if we are cursed with a

demonic male temperament,

we are also blessed with an

intelligence that can

through the acquisition of

wisdom, draw us away from

the smug stain of our ape past".

Funny stuff, wisdom.

Almost impossible hard to

acquire. Perhaps we ought to

ask the bonobos to lead us

towards the light. We seem

to have few other options.



Playtime: adolescent Langur monkeys chase each other round an ancient banyan tree. A characteristic primate species of India, they are among the most acrobatic, agile and social of animals. Taken from 'A Tiger's Tale: The Indian Tiger's Struggle for Survival in the Wild', by Anup and Manoj Shah, Fountain Press, £24.95.

A taste for all things Greek

Andrew Dalby writes that "Greece is an unusual place" in *Siren Feasts*, his historical study of Greek food and foodstuffs: "Its main trade routes are maritime, and its typical markets have not been the periodic markets of most of the world but irregular, opportunistic, harbour markets."

That sums up everything, from the opening of Plato's *Republic* to *Never On Sunday*, Greek identity as well as gastronomy comes from geography; while the west owes its "development of taste to the Greek climate".

Dalby operates in the best empirical tradition, delineating an agriculture and cookery evolving from prehistoric to neolithic, classical, Roman, Byzantine and Ottoman times to now. If you want to know when the grape vine went domestic, what happened to the pea in the seventh millennium, about grain revolutions of 3,500 BC or Byzantine biscuits, Dalby is your man, controlling detail with a master-chef's hand, focusing on food production plus changes in what you do with raw ingredients.

You might call Dalby old-fashioned. He does not explore what Greek imagination did with its edible

world. He sticks to the probable, thereby saying more about Greek life than many studies which float symbolic kites, only dipping into fact to substantiate pre-formed argument. His book is as fact-packed as a pomegranate with seeds: thought comes from, and does not lead, the fascinating evidence.

Pomegranates occupy the cover of *Dinner with Persephone*, another edibility-conscious vision of Greece. This too is a book of physical detail. But here, as with the communion wafer, you pass instantly from flesh to spirit.

Storace is an American poet and journalist. Her book, a voyage into the dreams of modern Greece, is informed by myth and literature (ancient and modern) and organised round one year in Athens. It conjures vividly the intensity and discomfort, the poignant overload of meaning inseparable, for westerners, from living in Greece.

Her mix of observation

and information is a Chinese egg whose layers of cut ivory reveal deeper worlds of filigree below. Her perceptions (favourite patterns of violence, significance of social rituals) ring true. She has a sharp, amused eye for

SIREN FEASTS: A HISTORY OF FOOD AND GASTRONOMY IN GREECE
by Andrew Dalby
Routledge £35, 320 pages

DINNER WITH PERSEPHONE
by Patricia Storace
Granta Books £17.99, 348 pages

details that spell out the Greek unconscious. Between Johnson's Baby Powder and an icon of Constantine, Greek babies lie, like Greece itself, between west and east.

But there is something wrong. The writing often values the striking phrase above accuracy. There's also legerdemain in her rela-

tionships: to readers, and to those she writes about. To readers, she implies she came blank to Greece; but she must have learnt a lot first. Including the language, so had views about the Greek psyche and, I bet, had met a lot of Greeks already.

As for the people: she was there at the height of Greek feelings about Macedonia, when the west was ostensibly misinterpreting the Serbs ("our orthodox brethren" struggling "in the North"), as I often heard Bosnia described. Both issues thrash dangerously at the heart of Greek relations with the outside world. Storace does not touch the pain here, nor the deep, entrapping explanations.

Storace saw Greek nationalism at fever-pitch; but what country does not have mirror-mad dreams about past glory? If you step on another culture's dreams, you must put them in context. Most nations fail to stop such dreams from festering. America and Britain

are as bad as Greece at this. Yet Storace presents Greek culture as abnormally dream-led.

One of her acquaintances associates the "Great Idea" (the 1920s expansionism as central to macho populism as empire in Britain) with a Hellenistic statue of a jockey that supposedly expresses "the eternal motion" of Greece. "I wonder if he realises the boy has long been identified by scholars as black African," Storace says.

But she can't have "wondered": of course the man won't know the scholarship, can't step outside his heritage to view it with the opulent detachment available to her. What I wish she'd done is explain why. Such near-invisible dislocations sometimes snub the gods of hospitality, who opened doors to her in Athens and are also the gods of writing, reading, and interpreting other people.

Dinner with Persephone is a seriously brilliant book.

But I miss in it that final generosity of going over and into the other person or culture for their sake instead of your own. A giving yourself to Persephone, as well as taking something away from her.

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But she can't have "wondered": of course the man won't know the scholarship, can't step outside his heritage to view it with the opulent detachment available to her. What I wish she'd done is explain why. Such near-invisible dislocations sometimes snub the gods of hospitality, who opened doors to her in Athens and are also the gods of writing, reading, and interpreting other people.

Dinner with Persephone is a seriously brilliant book.

But I miss in it that final generosity of going over and into the other person or culture for their sake instead of your own. A giving yourself to Persephone, as well as taking something away from her.

Ruth Padel

Either decorative or bestial lives

Feminism in Russia is still viewed as an alien, western fad, writes John O'Mahony

When Aleksandra Kobakova first unveiled her literary ambitions, the occasion was marked by a fanfare of denunciation and derision.

Young woman of the 19th-century Russian merchant classes were earmarked for a life of domestic servility, leavened with ignorance. And the suitor to whom she divulged her first tentative attempts at poetry had more than a vested interest in maintaining the status quo: "Woman is created not for the pen," he snorted, "but for the needle and oven-prongs".

This is a message that resounds not only through the 19th-century autobiographical narratives that make up *Russia Through Women's Eyes*, but along the entire length and breadth of Russian history. Tsarist society prized only two qualities in womanhood: humility and self-sacrifice. Daily life for the fair sex, when not confined to the merely decorative, was often downright bestial: newly married peasant women were routinely deflowered in village squares, and if the groom proved unequal to the task, a substitute was nominated by the rabbles.

*This is a message that resounds not only through the 19th-century autobiographical narratives that make up *Russia Through Women's Eyes*, but along the entire length and breadth of Russian history. Tsarist society prized only two qualities in womanhood: humility and self-sacrifice. Daily life for the fair sex, when not confined to the merely decorative, was often downright bestial: newly married peasant women were routinely deflowered in village squares, and if the groom proved unequal to the task, a substitute was nominated by the rabbles.*

Russia Through Women's Eyes
edited by Toby Clyman and Judith Vowels
Yale University Press £25, 393 pages

"To my right - steppe; to my left - steppe; staring me in the face - steppe; and beyond the steppe - steppe."

Only the aphoristic vigour of Sokhanskaya's style offsets the underlying hopelessness of her account, a feeling that she must have shared with so many others of her sex who faced the same constraints, though silently: "The soul struggles," she concludes.

"But it weakens in a futile burst of emotion. It strains feebly, like a flower in the shade, and soon wilts, its buds unopened, its feelings untraced, its strength untried. And time will pass, and soon, no matter what you do, it will be too late!"

Next comes the above-mentioned Aleksandra Kobakova, who wisely dumped her unsupportive suitor and, after a monumental effort spanning decades, managed to get her tale of merchant life published. "It was instantly successful," she notes. "I wrote *The Potochkin Family* to serve the class from which I came," she notes. "I wanted to describe the consequences

of a despotic and senseless upbringing that unfortunately defeats even the best of intentions."

Surprisingly, the most moving autobiographies come not from writers, but from women who attended the St. Petersburg Medical Surgical Academy, which ran pioneering courses for female doctors from 1872-1887. In "House Calls: A day in the Practice of a Duma Woman Doctor in St. Petersburg," Ekaterina Slobodskaya describes the unbelievable squalor of the city's slums where the vast majority of the population lived in ignorance, superstition and filth: "As the woman lifts the curtain and begins to unswaddle the child," writes Slobodskaya of one visit, "I see blackish dots jumping on the dirty diapers, the pillow, the tiny shirt, bare legs and arms. I look closer and see that they are bedbugs... Everything, absolutely everything, is crawling with bedbugs."

The quality of the material varies as widely as the objectives of the authors, some of whom wrote only for their immediate family. Social restrictions are reflected in the repetitiveness and uniformity of the subject matter, particularly in the case of the aristocratic women whose leaden accounts dwell on favourite names and French lessons. This isn't helped by a rather dusty, scholarly introduction.

But these flaws are eclipsed by the emotional power evident in many of the autobiographies and the occasional flashes of brilliance. And even though these texts have lain dormant for so long, the vivid, damning portrait of the society that emerges has lost none of its relevance. Contemporary Russia is still the same trammelled, aggressive patriarchy, a place where feminism is viewed as an alien, western fad. Despite the upheavals and revolutions of a century, through the prism of female experience, everything looks appallingly the same.

Covert dirty deeds

Rupert Allason, Conservative MP for Torbay, has proved something of a maverick in the House of Commons. When not writing or relaxing in his house in Bermuda, he can keep us all guessing right up to the line as to whether or not he will defy his party's whip and vote according to his own idiosyncratic conscience.

Writing under the pseudonym Nigel West, he has a more consistent track record, the author of several competent histories of Britain's intelligence organisations which have a tendency to provoke newspaper headlines.

With *The Secret War for the Falklands*, West once again shows his ability to

master the jargon and distorted information of spookery. And just when you thought you'd seen the last of a long list of books published on that conflict which briefly shook the world, here comes West laying claim to breaking new ground with the first detailed account of undercover operations, both brilliant and disastrous.

Perhaps the book would have been more aptly titled "The Dirty War". In the 1970s and early 1980s, Britain and the US had been quite happy to turn a convenient blind eye to the nature of a military regime that, while declaring itself pro-western,

For all their sophisticated gadgetry and capacity for geopolitical analysis, most western diplomats and intelligence officers were lulled into a false state of complacency. The simple point was missed that a regime which treats its own citizens like dirt can easily slip into the self-delusion of territorial omnipotence. Western intelligence pitifully failed to anticipate the junta's decision to invade the Falklands on April 2 1982.

Inevitably those comic strip heroes of contemporary British publishing, the SAS, feature prominently. Thanks to some good sources, West provides us with a fascinating account of these military cowboys attempting to take the Falklands War to the

Latin American mainland by blowing up Argentine aircraft at their bases.

There are stories, too, of sinister (named) Argentine intelligence officers trying to secure a few more missiles of the kind that turned HMS Sheffield into a smouldering heap, and the help provided to the British by such divergent "friends" as the French and the New Zealanders, not to mention the Americans and the Soviets. Moscow could have provided intelligence to the Argentines, but thought it not worth it.

Ultimately, non-Argentine

spies and loyal Tories should be well pleased with this book. For all the initial cock-ups, it shows they won through in the end, helping the UK military take back the islands, and Mrs Thatcher to a few more years in power.

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Jimmy Burns

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ARTS



A love-'n'-war sprawl from British playwright-filmmaker Anthony Minghella: Kristin Scott Thomas and Ralph Fiennes in 'The English Patient'

Frontiers tested in Berlin

War films and political thrillers are thriving in the festival's melting pot, reports Nigel Andrews

Interviewers are known to search Los Angeles in vain each February for the freshly announced Oscar nominees. "Where are they?", cries the beating Bel-Air ticket-takers. The answer is, they are mostly 7,000 miles away in Berlin.

The Golden Bear looks more like Uncle Oscar each year. In 1997 *The English Patient*, *The People Vs Larry Flynt* and *Marvin's Room*, accompanied by their VIPs, are but three of the films warming up here for Academy honours - if "warming up" is the right phrase in a Berlin that uses sleet and rain to drive international critics into cinemas. Here they encounter that other, indoor weather system known as translation facilities. The white carpet at the bottom of each frame is the layering of subtitles. The drizzle in your ears is the simultaneous translation.

We live in an age of dissolving frontiers when every other film is multi-lingual. A clever epic like *The English Patient*, taking its European premiere in Berlin, takes advantage of this: it is about language and nationhood. Festooned with Oscar nods, this love-'n'-war sprawl from British playwright-filmmaker Anthony Minghella has an appealing romantic madness plus a less appealing length and repetitiveness.

When we are not reminded of *Lawrence Of Arabia*, by music sweeping over the wartime sand dunes where Anglo-Hungarian count Ralph Fiennes dispels with married English bombshell Kristin

Scott Thomas, we are reminded, or I was, of TV's *Knitting Yarns*.

Michael Ondatje's original novel had a poetic terseness. Minghella's \$25m adaptation adds layers of retro exoticism, from the Maugham supporting characters with their cut-glass accents to Fiennes' post-aircrash make-up, which resembles an early Hollywood werewolf. (In this film crashing your plane is a ritual as regular as afternoon tiffin.)

Though sitting with two people who hated the film, I intermittently liked it. At 2½ hours it is overlong and the message about the evils of nationalism is fully revealed after about 10 minutes. But a film that achieves popularity by even feinting at thought and a serious theme, as opposed to fainting at them like *Twister* or *Independence Day*, is rare enough to covet.

Patient's mixed cast, which includes French, Indian and American actors, reflects melting pot tendencies in movies worldwide. Frontier-testing war films and political thrillers thrived at Berlin. From Georgia came the tiny-budgeted but powerful *Graevoord Of Dreams*, a nightmare in black-and-white about conflict in the fragmenting ex-USSR. And in Gerardo Herrero's *Comanche Territory* three Spanish TV reporters cover the conflict in ex-Yugoslavia, where all human life is assembled in a blitzed Holiday Inn in Sarajevo. From here they sally forth to meet all human death, in the film's vivid film-on-site recreation of

wartime Bosnia.

Bruno Barreto's *Four Days In September* delves even more resourcefully into the lexicon of political disarray. American ambassador Alan Arkin is kidnapped by Brazilian terrorists, whereupon the world holds its breath or dispenses it in tense monosyllables across the ether of international airwaves. Suspense and character are superbly built here, in an agit-thriller as intelligently exciting as any we have seen outside Costa-Gavras.

Unless you chortle at bent policemen and beheaded poodles, Hong Kong-China's *The Song Sisters* is a tritely realised epic about the siblings who married three of China's most powerful men, including Sun Yat-Sen and Chiang Kai-Shek. And Japan's *The Sleeping Man* is a film about, and largely for, come victims.

From Britain David Hare's film of Wallace Shawn's *The Designated Mourner* is brave but stagy: a three-hander for monologists (Mike Nichols, Miranda Richardson, David De Keyser), who sit at a desk streaming their consciousness into word-patterns that may fascinate in the theatre, where the verbal holds licensed sway, but merely fatigue on screen.

For comparison look at the Finnish short film *Today*. Like Hare and Shawn, director Eija-Liisa Ahtila eschews linearity for a disjunctive mosaic of sounds and images. But it is a cinematic mosaic. A young girl's response to her mother's death in a car crash is imaged in visual fragments from the emotional front-line: a weeping father, a rearing shadow on the road, the rhythmic post-traumatic comfort of a ball bounced against a wall. In this dazzling debut, the words are only a counterpoint to the richer reality of a pictorialised inner turmoil.

Verbal messages are death to cinema; visual messages are the life of cinema. This explains why Spike Lee's *Get On The Bus*, a barbed comedy about a coachful of blacks airing their own bigotries on route

to Louis Farrakhan's "million man march" in Washington, is a lesser film than Tsai Ming-liang's *The River*, a wonderfully weird Taiwanese fable about hope and despair.

Lee leads us down the yellow brick road towards a thumping sermon. Ming-liang, who won Venice's Golden Lion for his last film *Long Live Love*, crafts an often baffling tale that mesmerises and haunts the memory.

A young man (Lee Kang-seng) develops a near-crippling neck ailment soon after doing movie stunts as a floating corpse. This mysterious mishap cues or echoes the larger dysfunctionalities around him. Some are comic, like the roof-leak his dad tries to stop with some Heath Robinson repair-work. Some are cosmic, like the inability of humans to relate either to themselves - there are sex scenes of an almost Beckettian sort of bizarre - or to their universe.

Those who found this film inscrutable eastern could escape to cinemas showcasing the accessible west. Retrospectives of G.W. Pabst and Kim Novak have justified with the riches of American narrative cinema, ranging from *Mrs Attacks!* and *Larry Flynt* to such spicy low-budget street sagas as *Arresting Gena* (drugs and growing up). *All Over Me* (lesbianism and self-realisation) and *Set It Off* (crime and black sisterhood). God bless America. Europe and the East may give us art. The US gives us life and yarningspinning, but from the controversial headlines.

It was a nice idea. Once a theatre (or concert hall, or art gallery) had refurbished itself with its lottery grant, its revenue would rise. The public would flock to enjoy the new building, spending more money in the smartened bars and restaurants. So even if the annual subsidy remained frozen at least box office and catering revenue would rise.

It has proved a mirage. The few theatres that have already re-opened after their lottery refits have had doleful experiences. The audiences have been few, if not exceptional, and the expenditure in the bars and new eating areas has boosted income.

But the theatres under-estimated the increased costs that come with larger venues and more elaborate facilities. At the Oxford Playhouse, for example, the electricity bill has doubled while the Stephen Joseph Theatre in Scarborough has had to increase its ushers from three to seven. Higher expenses have wiped out most of the extra income.

However, this is nothing compared with the impact on the arts of severe government rate capping on county councils. This week, in what is likely to be a common occurrence, Oxfordshire decided to virtually wipe out its expenditure on the arts in an effort to reduce its deficit. The Oxford Playhouse lost its £45,000 grant and another theatre which has just re-opened after £678,500 lottery financed refurbishment, in Chipping Norton, stands to lose £9,500 this year.

The Stephen Joseph Theatre in Scarborough, which received £145m from the lottery in the early days, before the true additional running costs after rebuilding were known, expects to lose much of the £75,000 it receives from North Yorkshire.

In effect, the detailed plans that the theatres prepared for the Arts Council when applying for lottery money, plans which involved consistent funding from local authorities, are revealed as illusory. This Francis at Oxford Playhouse, which received £2.5m from the lottery and re-opened in October, is particularly upset. She stands to lose 7 per cent of the theatre's income. This means cuts in outreach work and education, and an inevitable contraction in risk taking. The programming will be more populist and bland.

There is just one way out - to apply for more lottery money through the Arts-4-Everyone programme. Most applications were for musical activities, with a surprising number of choral societies seeking help - workshops from professionals, money for commissions, paying for stars to pep up their concerts. This was followed by drama groups who also wanted to buy new plays and expertise, followed by the visual arts - many schools want to cover their walls with murals.

Poetry societies were prominent, keen to pay for published poets to talk to them, and there was a good spread of multi media propositions. Surprisingly pop groups, who could have secured funding for CDs and recording time, were thin on the ground. But the mists are now open for applications for the second tranche of money so anyone keen to take part in the lottery, with a good chance of winning, should apply now.

Roboy

New Drawings

The Exhibition opens Wednesday 12th March - throughout March. Human feelings are expressed in a variety of ways. That art most readily appeals, Zsuzsa Roboy's ability to express within her work is probably the reason for her recent popularity.

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Concert Authentic Berlioz

It is as well to be reminded from time to time that "authentic" musical performance practice is not limited to this side of the Channel. There are plenty of period ensembles in Europe that have caught up recently and some who would like to point out that they were

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The Voice of America's British outpost, formerly known as the BBC, presses on. Following last Saturday's relay from the New York Met, we heard that the prime contender for the role of Antichrist in the apocalypse whose proximity obsesses so many Americans is Gorbachev. So they said in Radio 3's *Apocalypse Now and Then*, one of the week's many obeisances to American culture.

The same day saw Radio 2's broadcast of *Follies*: Sondheim at his most ardently contrived. Also heard this week: *You Is What You Eat*, a nighty progress through deep southern cuisine; this year's American Leith lecturer interviewed, *New Found Land*, a series of six new American plays; and Stephen King's *Pet Sematary*, beginning a six-part serialisation. Last Saturday touched a new low for what in my childhood was the week's radio highlight. Not only have they killed off Saturday Night Theatre but they have filled the slot with repeats (most evenings on Radio 4 now consist of repeats). Last Saturday's choice was the final episode of *Wallis - the Life and Legends of Wallis Simpson*, the story of the famous American whose fame rubbed off on all sorts of obscure figures we would never have heard of otherwise (Edward VIII, Churchill, peripheral shadows like that).

The most striking aspect for British ears was bearing Berlioz sung by French-speaking singers. There is nothing to match the relish with which native speakers declaim their own language. Laurent Naouri's incisive Herod here being a gripping example. Véronique Gens and Olivier Lasson were Marie and Joseph, supported by Frédéric Caton as the Père de Famille - an all-French trio, which is authentic itself in a way.

Feedback still gets letters on the disproportionate Americanisation of the BBC. And the BBC blunders on with the arrogance typified by those producers who slap

modest, understated piece and a conductor who went out of his way to make the music sound different by definition traduce it.

Herrewege's performance was properly unexceptional. His musicians gently showed the value of having period sounds, especially the bucolic winds. The combined choruses were free from blemish in their undemanding role (the purity of the soprano angels was particularly effective).

F or his soloists, Herrewege had brought with him singers whom we know mainly from early music and there was some blanching, "early" tone to be heard, mainly from the tenor Récitant, Paul Agnew.

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Feedback still gets letters on the disproportionate Americanisation of the BBC. And the BBC blunders on with the arrogance typified by those producers who slap

Radio State of the US

us down on air. I bad thought that architects were the modern equivalent of the medieval church, with its closed, fraternal ranks, esoteric mysteries and patronising assurance that it knew what was better for the people than the people did. But the electronic media, and the BBC with its inbuilt, if now rickety, conviction of moral superiority, run architecture close.

On the credit side there was a new series (launched with a Canadian subject, in case the culture shock of a non-transatlantic accent was too much) called *Messages to Myself*. Last night's diarist, the first of five, was Eva Marsh, diagnosed when young as having multiple sclerosis. Her scepticism about received truths, her brash empiricism as she observed and experimented on herself, her refusal to take anything, good or bad, for granted, made extraordinary listening. Readings by actress Shelley Thompson alternated with Marsh's own voice: practical, cool, level-headed, despite a second bout of the disease that had paralysed her from the neck down in middle age. This too had been overcome. She now has academic qualifications and a second marriage - the first had been cruelly terminated,

though she bears no ill will, indeed maintains there is a purpose in everything. A remarkable woman initiating what should be a remarkable series.

The message emerging from all such programmes about "ordinary" people is that there is no such thing. The previous week bad thrown up a charming tale of the "ordinary" to celebrate Valentine Day: *Autumn Leaves* chronicled the true-life 40-year love affair of two Hungarian teenagers separated by politics and geography, each settling in the west, marrying others, having families, and eventually marrying each other late in life. Ordinary in the sense that conventional drama was missing; but totally absorbing, as told by the protagonists themselves.

The individual figure seen against the awesome tapestry of great events; that is what radio is good at. I make an exception of Radio 4's *The University* which makes the campus of Warwick sound like a purgatory of anorak, naff boredom.

Rather surprisingly, the media can apparently still laugh at themselves. Radio 4's Thursday morning serial *In the Balance* is a comedy thriller that for once lives up to both parts of that definition. It treats of world cup football, politics and the BBC, and is rather funny. Mark Tavener writes, Paul Schlesinger produces, and a perfectly splendid cast is led by Michael Williams. It is even good enough to be complained of by paranoid politicians in an election year.

Martin Hoyle

ARTS

Few artists of comparable importance and personal success in their lifetime have fallen so completely into obscurity as Lovis Corinth. Here in England, beyond the interest of specialists, he is quite unknown - which makes the comprehensive study of his life's work now at the Tate, albeit in a smaller version than already seen in Munich, St Louis and Berlin, all the more welcome.

But that is not to say that Corinth is not complex and contrary. Indeed the sheer volume and apparent variety of his output are merely the first of the problems he puts in our way. For here is the bridge in German art between the Romantic academic realism of the 19th century, characterised by Adolf Menzel (another forgotten hero seen lately in Paris and now in Berlin), and German Expressionism of the early 20th. Kirchner, Beckmann, Kokoschka and the rest.

And in between, though not necessarily in any evolutionary sequence, come full-blooded engagements with descriptive impressionism and narrative symbolism that amount sometimes to near-kitsch. A large portrait of an actor in full black armour with drawn sword and banner (Rudolf Ritter, 1906), Bacchus groping drunkenly at a Bacchante (1895) or Salome (1899) slavering over the Baptist's newly severed head, do have their faintly ludicrous aspects.

In 1901 Corinth left Munich, where he had studied and matured, for Berlin, where his career immediately prospered. He was aware of modern painting in France and responsive to it, to Manet especially. Yet he also set himself within the older northern tradition of Rembrandt, Hals and Rubens. "We honour the great masters of former times", he said, "and shall make it our aim to emulate them in the spirit of our own times".

Seeing himself as the modern champion of a specifically German art, he became increasingly disillusioned with the contemporary international avant-garde. "Whether or not I belong to 'modern art'... I cannot alter my convictions in order to remain modern." To later tastes his fiercely romantic German patriotism before the first world war was an embarrassment; to Hitler in the 1930s he was a degenerate modernist.

But Corinth in the flesh, which is to say in the work and the paint itself, confounds all such contradictions. The conventional view is that the massive stroke he suffered late in 1911, when he was 53, definitively



'Salome', 1899, by Lovis Corinth: he was the bridge between 19th-century German Romanticism and 20th-century German Expressionism

Reputation resurrected

William Packer welcomes long-overdue recognition for Lovis Corinth

divides his work. And indeed there is discernible, between the earlier and the later, a certain change of mood, from energy and swagger to something more wistful and reflective, disillusioned perhaps, and melancholy.

But by the evidence of the work, he made a remarkable recovery. Encouraged by his wife, Charlotte, he was working again by the early summer of 1912, and some of the paintings of that time are as fresh and accomplished as any he ever made. He starts by painting Charlotte herself, half-smiling, half-anxious beneath her broad straw hat, half-decolleté, her face half in

shadow, the gesture of her hand at once half-anticipating that of the later "Magdalene" (1919) and yet half-recalling that of the young girl of his earlier "Innocence" (1890). The handling is extraordinary, as light and free as it is subtle and particular. It is the most tender of images. A dark still-life, the "Cat's Breakfast" (1913) of fish on a couple of plates, is no less a *tour de force*, the statement so radical in its freedom as to lose the image altogether on the surface, yet falling into exact description a pace or two away.

Corinth himself was sensitive to current suggestion that since his illness his work had changed. "When I review my work in its entirety, it does seem to form an homogeneous whole", he wrote in 1913, and with a further 12 years represented until his death in 1925, this exhibition bears him out. What is remarkable is that for all the changes in style, to which he readily admits, the essential sensibility remains so much the same throughout.

Style, we should always remember, is never the essence. And for all the bombast, self-importance and overt ambition of so many of the compositions and set-piece portraits, there runs through all the work and

most especially the portraits, that sense of quizzical melancholy, even self-doubt. We find it in the very first portrait of his father (1883), but most especially do we trace it through the long sequence of self-portraits, and the paintings in which he uses Charlotte, his wife and muse, as model.

He paints the two of them together, side by side in the studio (1902), she natural and serene in her nakedness, he bulbous with his arm around her. Or again she turns her naked back to us to embrace her

husband (1903), who glares protectively out at us across her shoulder. Here is the same man, and the same expression, uncertain, anxious, questioning, who looks out at us in the last self-portrait of them all, in 1925. And there too, *mutatis mutandis*, are the same honesty and ambition in the handling of the paint, the same dash and directness in the very paint itself. Before and after, it is all one, and Lovis Corinth no longer a painter easy to forget.

Lovis Corinth: The Tate Gallery, Millbank SW1, until May 5; supported by the German government.

Disney's bid for Hugo's mantle

Jackie Wullschlager on a fascinating exhibition which attempts to show how close Hugo and Disney are in spirit

The bells peal ceaselessly, an accordion trills out 1950s French dances, children scream as they recognise models of their favourite characters, and the curator of the normally sedate Maison Victor Hugo looks in astonishment at the queues down the oak-panelled staircase.

As its French theme park gears up for the spring season, nowhere is the Disney corporation's eagerness to meet European cultural credulity more dramatically on show than at the rambling old town house in the corner of the Place des Vosges which now plays host to an extraordinary exhibition, *Walt Disney Chez Victor Hugo*. Launched to mark the French opening of the feature film *The Hunchback of Notre Dame*, this show celebrates a double piece of history: how Hugo and the 19th-century poets looked back to the Middle Ages, and how Disney drew inspiration from their romantic revisionism in the 1990s.

Using 19th-century prints, paintings, architectural models, first editions, a record of theatre productions and songs built on the popularity of Hugo's 1831 novel *Notre Dame de Paris*, it is on the one hand a fascinating investigation into what history tells us about the historian, about how we make sense of the present by rewriting the past. Interspersing these with drawings and sculptures by Disney animators, with a mini-show demonstrating how computer-generated imagery works and a video of the making of *The Hunchback*, it is on the other hand a classic of cultural propaganda. It proposes Disney as the modern heir to European romanticism, reworking myths for our times just as Hugo reshaped them for the 19th century.

I am a fan of Disney, and up to a

point I am prepared to buy this story, but it is amusing to note the extremes to which the organisers have gone to convince that this is a good idea. American cultural imperialism is eroding the French heritage and wish that Eurodisney was sum in the Marne.

A centrepiece of the Maison Victor Hugo in soher times, for example, is Pilotell's "La Vision du Poète", a large portrait of Hugo

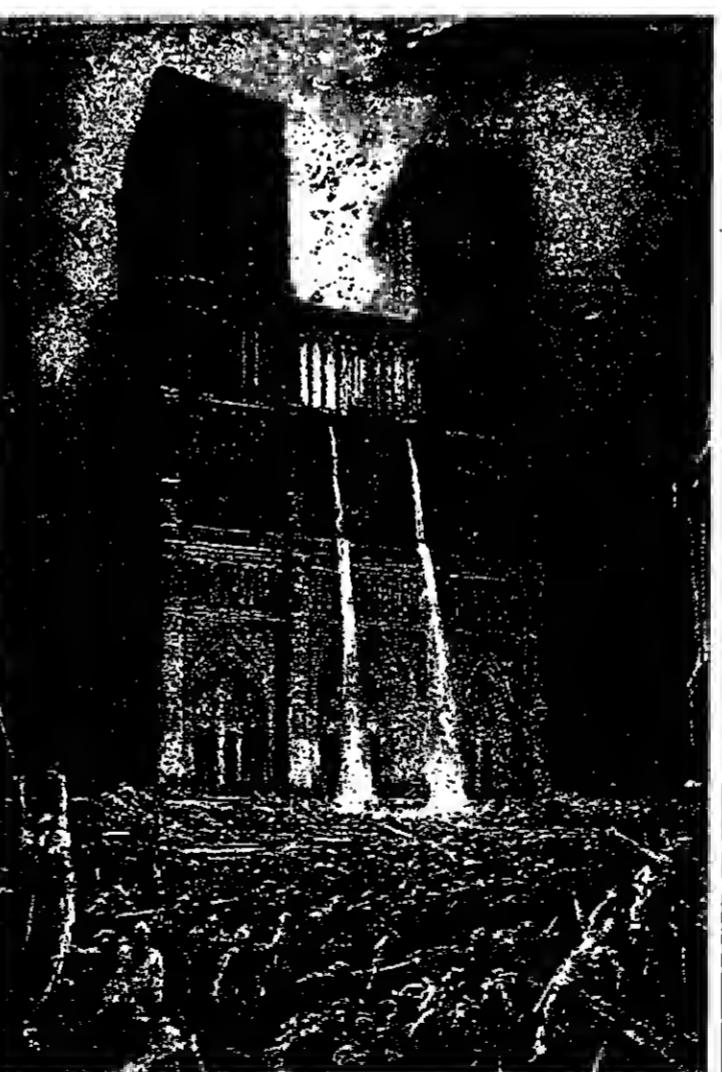
pointing to the cathedral. Medieval Paris, then, not the hunchback Quasimodo or Esmeralda, the girl he loves, is the hero and the heart of the novel, and it inspired a new reverence for Notre Dame and numerous paintings of the cathedral.

François-Nicolas Chiffart's red chalk and gouache vision, "Les truands assiégeant Notre Dame de Paris", was clearly a model for David Martin's Disney sketch, which echoes its menace of light and shade. Elsewhere Disney's debt to other early interpretations, Louis Boulangier's luscious, illustrations to the book, for instance, are emphasised.

Hugo, like Disney, was a nostalgic merchant. At a time of rapid technological change and the advance of the machine, when industrialisation was transforming the appearance of cities, he evoked the Middle Ages as an era when architecture was the work of individuals slowly building a Gothic masterpiece, able to leave their own stamp on a gargoyle or a stained glass window.

His 1490s Paris was peopled, however, with quintessentially 19th-century characters who are lost in Disney's cheerful revision. Frollo the wicked monk speaks volumes about 19th-century sexual repression, not medieval corruption; in a contemporary song-sheet "Les Soupirs de Claude Frollo", a mournful, buttoned-up dominion character, a Ruskin or Lewis Carroll, looks out of a window, skull at his side, singing, "ah maudit soit le jour où je suis né" (cursed the day that I was born).

Esmeralda, celebrated in popular songs of the day such as "La Bobéenne de Paris", is a typical Romantic heroine - the gypsy *femme fatale* who dies, like Carmel in Merimée's story 15 years later, a victim of male vengeance. Juxtapose the Disney drawings of her



notably Vance Gerry's "The Independent Proposal", where a huge-eyed, strong-jawed I-am-my-own-person Esmeralda tosses her head and her bold chunky earrings - with, say, Charlie's Steuben's docile beauty, eyes downcast, clutching her goat in the lithograph "La Esmeralda et sa Chèvre", and you have a snapshot of boy feminism has revived 19th-century victims into plucky individualists.

For French audiences, Esmeralda is an up-to-the-minute heroine who stands up against racial intolerance and seeks political asylum in Notre Dame, then looks forward to marriage rather than martyrdom. Balzac's verdict on Hugo's novel

notably "two descriptions, beauty and the beast, and a deluge of bad taste" - summed up much of the recent critical response to Disney's *Hunchback* as an inferior *Beauty and the Beast* set against tasteless features such as singing gargoyles called Victor and Hugo.

Both, however, have been popular successes; this exhibition shows at once how close Hugo and Disney are in spirit and how a dark erotic 19th-century tale must evolve to succeed in the sunny banality of Disneyland.

Walt Disney Chez Victor Hugo, Maisoo Victor Hugo, 6 place des Vosges, Paris, until March 16.

Television in Israel Unorthodox humour

The letters and phone calls of complaint to the Israel Broadcasting Authority, the publicly-financed independent network, have all but stopped. The ultra-Orthodox newspapers no longer write about Gil Kopatch. The Israeli mainstream newspapers rarely review his television sketches. Perhaps lack of fame means success.

Success, because Kopatch, a young comedian versed in the texts of the Torah, or Bible, has used Channel 1, the IBA's non-commercial network, to launch the first popular satire on the Torah. Each Sabbath evening, when the ultra-Orthodox switch off television but when secular Israelis, who still make up more than 60 per cent of the Jewish population, tune in, Kopatch gives his interpretation of the weekly "Portion", a section of the Torah read out in the synagogues during

Channell 1, the first Israeli television station, almost 30 years ago. That was when Kirschenbaum, fresh out of studying motion pictures at UCLA in California, returned to Israel. It was one year after Israel's momentous Six Day War victory. "We thought we were invincible," said Zvi Lidor, the IBA's spokesman. Israel's defeat in the 1973 Yom Kippur war changed all that - and Israeli television.

Kirschenbaum started breaking taboos in his *Cleaning the Head* satirical series in which he questioned hitherto sacrosanct institutions, such as the military and the intelligence services, and relations between Arabs and Jews. "There are not many taboos left," said Kirschenbaum.

The Chamber Quintet, a middle-class group of actors, is making sure of that as they chisel away at the establishment each Sunday evening on Channel One. But unlike Kopatch, it does not have a mission. "I don't think Israelis want to have the truth slapped in their faces," said Arrik Bernstein, one of the producers. That is a matter of interpretation. The Quintet's language is coarse. Its themes are more than sensitive. It recently did a sketch on the commercialisation of the Holocaust.

The differences between the two programmes are almost academic since both encourage Israelis to look on themselves. As the fear of the external enemy/threat fades, it is being replaced by a new force. Israelis are asking themselves who they are, who their institutions represent, how a balance can be struck between Judaism and democracy. "They are asking many, many more questions," said Kirschenbaum. And as much as Kopatch tries to tackle them each Sabbath evening, the answers do not come easily. Perhaps that's why sometimes the silence over his sketches is deafening.

Judy Dempsey

Theatre/Simon Reade Shakespeare at face value

It is not just our post-Holocaust sensibilities which make *The Merchant of Venice* a problematic play. Anti-Semitism has been dealt with in the ironic context of Mussolini's fascism. Shylock has been portrayed as a scrupulous city banker rediscovering his faith when persecuted. However, if you take no such leaps of the imagination, as in Bill Alexander's latest revival in Birmingham, a different problem presents itself: no one, nor their dichotomies, is attractive.

If we do not care who wins Portia, because we do not like her, if we do not shift our sympathies for Shylock because we have none in the first place, it is dissatisfaction with the prejudices of some in the audience. Little seems to be at stake for Cathy Tyson's easy-going, Liverpudlian-twanged Portia; but then who could fall in love with such a pallid Bassanio?

David Schofield's Shylock has an ill-conceived accent, which the Christians mock, pandering to the prejudices of some in the audience. Little seems to be at stake for Cathy Tyson's easy-going, Liverpudlian-twanged Portia; but then who could fall in love with such a pallid Bassanio?

Don Warrington is a relief as Antonio, delivering dignified vowels of world-weariness. There is a nice cameo from Martin Hudson as the pompous Prince of Aragon, a fop with fancy hair; and a peculiar West African Gobbo from Jah-Man Aggrey, literally in a spin when playing his own father (suggested by Bassanio's impatient "let one speak for both").

The courtroom scene relies upon a disguised duplicitous Portia aping legal technicalities to save Antonio. She is disgracefully vindictive towards Shylock, robbing him of fortune and faith in a travesty of justice. Is the play so cynical, or was it just rushed into the playhouse? A dénouement involving the hastily planted prop of a

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How to Spend It



Little indulgences and big bonuses

Gone are the days of flash, frivolous consumption – bonus spending today is a much more considered process, but no less enjoyable, finds Lucia van der Post

A few extremely clever or outrageously lucky (depending upon your point of view) people about the city will have some enticing questions to ask themselves in the next few weeks: just what should they do with the £100,000-plus bonuses that will be landing in their bank accounts sometime between now and the end of March.

This year has been, in city jargon, a "stonking" year and bonuses are set to reach the kind of mind-boggling sums that most of us regard as serious capital but for some players is more or less small change.

"It's all much exaggerated," say the bankers. But if you ask around a consensus begins to emerge. The five or 10 top players at each of the 10 leading banks will probably be looking at bonuses of £5m and above this year. There will probably be between 100 and 200 people receiving around £1m, followed by several thousand, in city terms regarded as middle-ranking employees, who will be looking at between £100,000 and £200,000.

According to Monks Partnership, remuneration advisers, bonuses among middle-ranking employees can range from nothing (roughly 10 per cent of staff) to something like 150 per cent of the base salary. A senior manager in asset finance on a salary of say £100,000, from £2,000, is likely to get a bonus of 150 per cent this year, while the average bonus of a senior dealer, trader or member of the sales staff will probably be about 50 per cent of his base salary of about £25,000.

For most of us this is dream territory. But for some it is an annual event that brings with it the problem of what to spend it on.

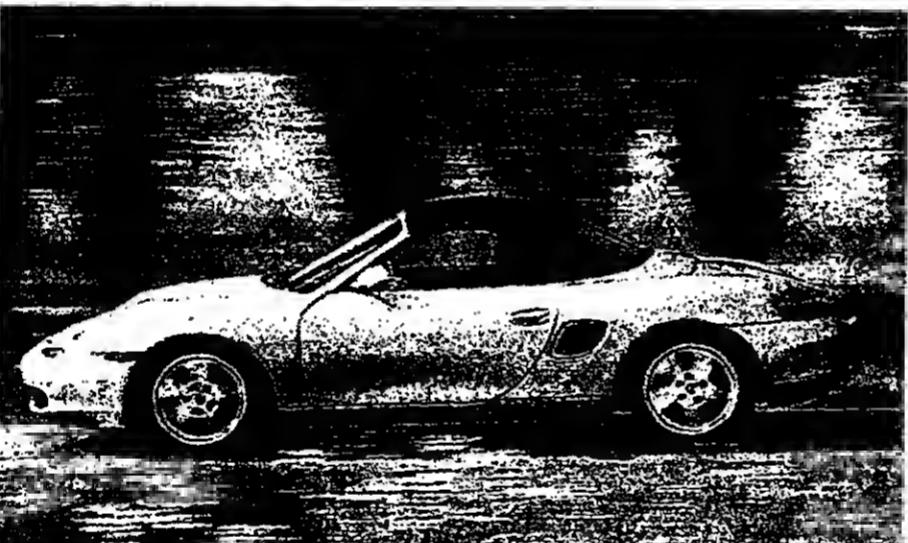
According to one, the first thing they do is "lie to their wives and fob them off with a cheap (£25,000) trinket [the clever wives learn to ask for a copy of the payslip]. Then they go to Jermyn Street and buy three new suits and 20 shirts. After that they buy lots of expensive clarat which they know nothing about."

Then they do incredibly sensible things, such as invest in pension funds, securities, mortgages and school fees – there is little talk of anything racy, such as yachts and race-horses, mistresses and jewels.

As one city player put it,



Hotly desired by the city set is the Mercedes SLK: an open two-seater costs about £30,000



Also much sought-after is the Porsche Boxster, £45,000: the first really new Porsche for 30 years



The Breitling Chronomat, £2,155, from The Watch Gallery



Miniature silver copy of a Steerman small aircraft, £10,000, from Theo Fennell, 159 Fulham Road, London SW3 8SP

"the really big bonuses will go to hard-working, sensible people and they are too sensible not to know that the good times may not last."

"Some use the money to invest in slightly risky projects – say a fashionable bar or a new business on the side. Others invest it so that in a few years' time, they can give the whole thing up and, metaphorically, head for their desert island. The days when people bought a Ferrari a year are over."

"I'm going to be paying off a chunk of my mortgage and I'll put some into a school fees plan, but we do always buy something small to celebrate. Usually it's a work of art – we're not talking Rodin here, we're talking something that won't cost more than a few thousand. We'll go to the annual art fair in Islington, Art 97, and look over the new works or to one of the many galleries we like to buy an eye."

"It's the younger footloose and fancy-free traders in, say, their twenties who might blow it all on one of the hot, new cars, say a Lotus Elise or the Mercedes SLK, if they've had the foresight to put their name down for one in time."

He added: "Most people, though, do treat themselves in some way or another. A partner I know in a leading investment bank took his big investment bank said: "Everybody now seems very

sober, very prudent, even the new young graduate entrants. Even those on very big bonuses often just put the lot into something like the Halifax Building Society."

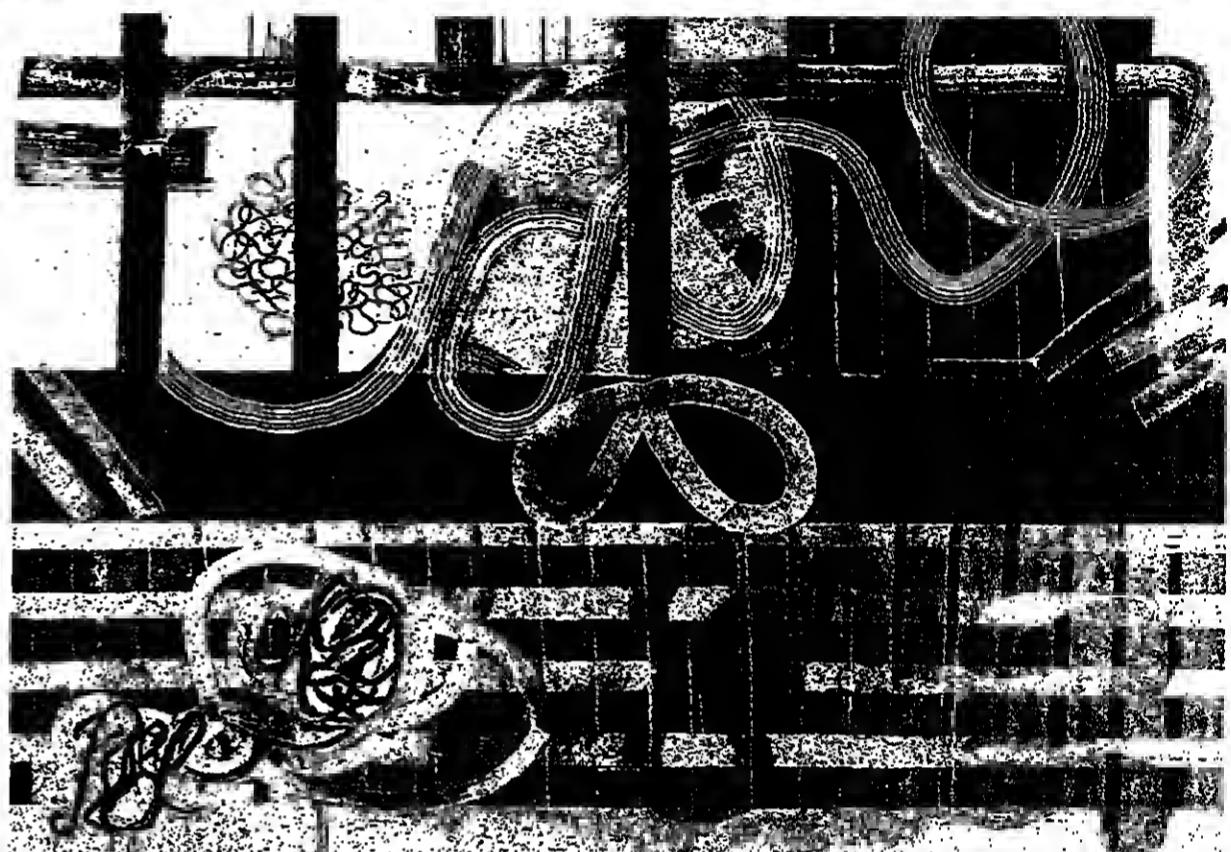
"I'm not married but I'm very prudent. I've paid off my mortgage and I'm going to put a huge chunk into my pension fund but I will treat myself a little – this year I've bought a new car for the first time in six years. It cost me £50,000 but already I could sell it for more than I paid."

All this sobriety and long-term planning doesn't sound like good news for retailers who have designs on such windfalls. But even the most sober indulge a little.

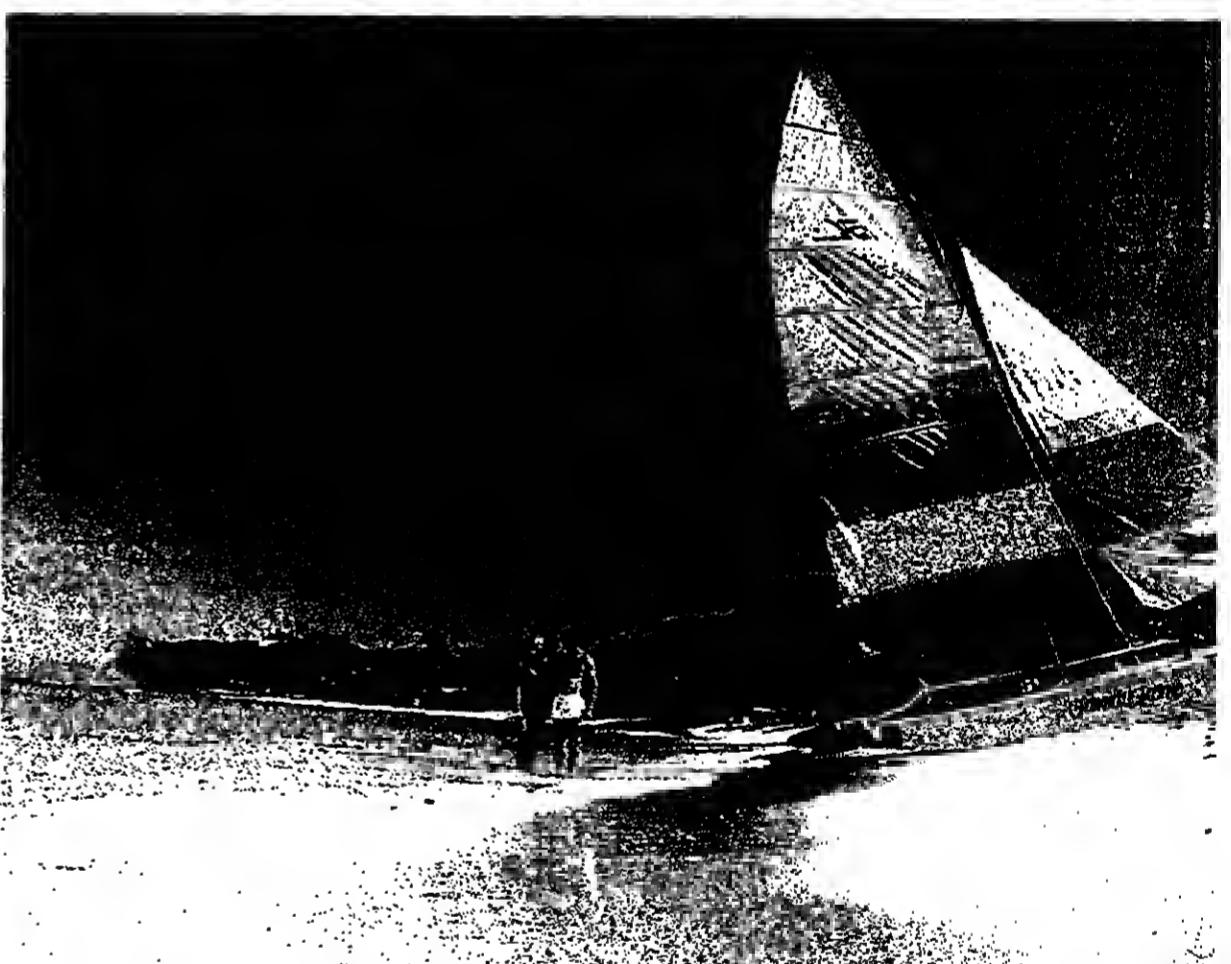
Bruce Dundas, marketing director of Theo Fennell, jeweller to the It girls, the partying set and the high-rollers, says there are regular clients who every year treat themselves to some little fantasy. "They buy small things such as our ketchup bottles with silver caps for about £700, or our 1940s copy of a soda-siphon shaped like a fire-extinguisher for £3,750."

"They seem to like fantasy things. Boys toys are popular – some ask for a miniature silver copy of their favourite car, a Bugatti or Alfa Romeo say, or a plane."

Tim Taylor, after years working for the Waddington Gallery, recently opened his



Welcome to the Eye 1994 by Juan Uslé: 80in by 108in, £25,000 plus VAT, from Timothy Taylor Gallery, 1 Bruton Place, London W1



The didn't-i-do-well holiday: a fortnight for a family of six at Sandy Lane, Barbados, on Concorde, would leave little change from £70,000

own gallery, Timothy Taylor Gallery at 1 Bruton Place, London W1. He is holding an exhibition early next month with his eye firmly on the city bonus. "The idea is to introduce the city players to contemporary painting. Nobody that I know of blows their boots on modern art. The city chaps seem very careful with their money and put most of it into safe, long-term investments or

some kind of security. But they will usually spoil themselves a little."

"My exhibition will mostly have works by established artists with recognisable names, though there will be a few extraordinary pieces which may capture the interest of the risk-takers among them. They could spend as little as £1,000 on a contemporary print."

Franz Le Rosey, who owns

The Watch Gallery at 129 Fulham Road, London SW3, says watches are many a city worker's idea of a treat. "Just yesterday I had a call from a regular customer saying my bonus is coming up, what have you got for me? I know what he has bought in the past so I recommended the Breitling Chronomat at £2,155 – this is the sort of watch bankers like."

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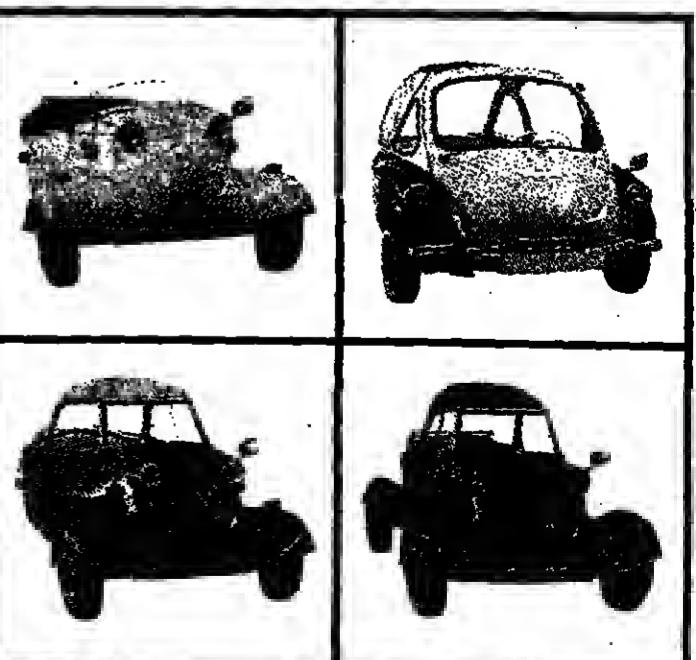
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Creativity and capital get together

Next week's shows herald a new era for fashion in London. Avril Groom reports

Nine months ago, the £346m Pentland Group bought a 75 per cent stake in Red or Dead - best-known for quirky street style and controversial shows - from the failed retailer Fada.

A British entrepreneur who already funds bursaries for promising design students, is keen to find others willing to put up £500,000 each to start a manufacturing resource for small-scale designers.

Even banks are interested. Lloyds Bank has set itself up as the listening bank for the fashion industry, sponsoring the annual British Fashion Awards and prize-winning sophisticated style duo Pearce Flonda.

Such people do not make a habit of losing money. As the London fashion designers show their autumn collections in London next week, accompanied by the usual media hype, they represent an even more exciting prospect - big money.

British fashion is at last being seen, to those prepared to take something of a risk, as an exciting investment.

The superficial reason for this is the current high profile of sharp, original British design spearheaded by the export of John Galliano and Alexander McQueen to storm the Bastille of Paris couture.

London Fashion Week - a large exhibition and 48 shows - will include the return of Vivienne Westwood and the arrival of several well-established foreign

The autumn collections in London next week represent an exciting prospect - big money

labels aiming to make a long-term commitment in London. Spanish designer Amaya Arzuaga, for instance, whose street-influenced knitwear-based collections already sell in 60 countries, says Britain is one of her biggest markets.

Miu Miu, the "younger sister" range of impeccably trendy Prada, also believes London is the right showcase for its look and will follow up with a Bond Street shop later in the year. They could be the nucleus of the emergence of London as the global capital for forward-looking design.

There are already direct spin-offs. More Italians are coming to London Fashion Week than ever before, ostensibly to see Miu Miu, but it is hoped the result will be more British-designed clothes in Italian shops. Italian money men are signing up British designers but instead of whisking them off to Milan, they are leaving them in London, where their inspiration and artistic control lie.

Antonio Berardi's provocative way with delicate lingerie fabrics and Westwood-trained Bella Freud's witty sexy knitwear and tailoring appeal to the Italian psyche. After struggling with small budgets, both have just signed contracts with Milan-based backers. "They understand that we have to grow slowly," says Berardi, "and agree with our policy of exclusively supplying just a few top stores. They don't expect us to make money for two years."

Freud's new manufacturers have taken over her distribution and show costs. She finds this "a huge relief, it allows me to concentrate on designs, as does the security - my contract's notice period is two years".

The shows draw in buyers and backers - the British Fashion Council reckons on a 20 per cent increase in visitors to the shows this time. But the underlying reason for the new confidence in British fashion is the growing realisation of designers that a commercial approach and a proper business plan



Top: Workers for Freedom long wool coat and silk knit rib shirt; and, below, Red or Dead cord brushed cotton checked fusion dresses

are even more important than a portfolio of heart-stopping designs.

Fortunately, idiosyncratic British style has become voguish, and therefore more profitable, just as designers have become more commercially aware. This has led to what long-time backer of British design Manny Silverman describes as "a meeting of minds".

"There is," he says, "a greater willingness in potential investors to understand the design industry. Venture capitalists are beginning to see the opportunities on a risk/reward analysis. I am optimistic provided everyone plays by the rules, if designers don't spend willy-nilly and investors don't withdraw at short notice. But I don't foresee buckets of money being thrown at flights of fancy."

But what British consumers see as fanciful can be very commercial abroad, as the canny investor knows. Those days in the 1980s when British designers were doing well if they turned over £1m a year are long gone.

Vivienne Westwood, once regarded as the grand eccentric of fashion and proud of her independence from backers, expects a turnover approaching £20m this year and hopes to join the exalted ranks of Paris couture designers next.

Hers is nothing if not a serious business, fuelled primarily by exports to the Far East.

Similarly, Alexander McQueen's sales in Japan so impressed the influential Japanese clothing manufacturer Onward Kasabyama that it wowed him away from his previous Italian manufacturer. Its long-term plans for the business are for it to achieve a fine balance between commercial sense and spectacular creativity.

Red or Dead was turning over £10m five years ago. This figure had fallen by the time Pentland acquired it from Fada, but the group that revitalised Reebok and Kickers should see it improve by the end of the year. "I believe in Red or Dead's global potential to provide a good royal stream," says chairman Stephen Rubin.

With so much American competition coming in, I like to back British. I may have gone out on a limb but I'd do it again as a private backer if another designer with the right commercial attitude came along."

That business moguls such as Rubin even talk to street fashion firms like Red or Dead is partly due to a system set up by the British Fashion Council and Marks and Spencer, whereby designers are offered business advice and are linked



Top: Helen David for English Eccentrics bias-cut dress with fishtail train with velvet coat and marabou headdress. Below left: Pearce Flonda putty coloured wool jacket with bishop sleeves and bias-cut skirt. Below right: Amaya Arzuaga beige suede suit and chevron striped sweater

pleated-fabric styles have made her self-sufficient.

He would also applaud the growing, self-funded career of Helen David at English Eccentrics who, after 14 years, feels ready to show her signature devoré velvets, printed silks and bias-cut chiffons. She is doing it in style - a champagne breakfast at a high-profile restaurant. "It's expensive but now it's a necessary part of each season's budget," she says.

Not every design label grows so smoothly. M&S is sponsoring shows for several talents still only just off the

starting blocks, including engaging designers as consultants and bankrolling their shows.

Batty Jackson, Marion Foale, Ally Capellino and Tanya Same of Ghost work with Marks and Spencer suppliers, while Paul Frith and Clements Ribeiro have made their own small businesses grow through contracts with Bhs and Dorothy Perkins.

Finding the right manufacturing level is hard in Britain, where the dominance of chain stores, which take up to 75 per cent of sales, and the industrial factories which supply them, leaves little room for either designer labels or small-scale manufacturing to flourish.

Aware of this, the chain-stores make amends by

It is probably no accident that Jasper Conran, whose perfectionist ideas are not cheap, should return to the catwalk immediately after the huge success of his first J range for Debenhams which, says chief executive Terry Green, "will make him a wealthy man".

Industry and designers have been on a fast and beneficial learning curve. Now, says Trevor Spiro, they must go further. "Big players should each put in a substantial amount to set up a manufacturing resource for young designers. I think we would get a good return but I'm not sure others would agree."

He could be surprised. Terry Green says he would be "sympathetic to the idea and keen to discuss it. We can already put designers in touch with small factories". The British Fashion Council is discussing links with "younger" manufacturers keen to work with small-scale designers.

James Ogilvy, of the trade magazine *Luxury Briefing*, says he knows "potential investors wanting to spend between £500,000 and £5m on the right design or luxury project. They want designers to think in terms of global marketing and duty-free. We have the talent and the money. We need to engineer the links."

Lloyds Bank's sponsorship of Pearce Flonda comes in the form of direct financial support for their shows. Andrew Flonda says: "We are in close touch and receive advice that has enabled us to make the right decisions, like abandoning a manufacturer who was rippling us off."

Charles Mears, Lloyds head of sponsorship, says: "We recognise the importance of fashion and are happy to advise on anyone's business plan."

"Pearce Flonda is a case study in how to do it. As to a larger initiative, nothing is ruled out."

With investment communication channels open and its creative streams running at full pelt, London is poised next week to join the big league of fashion cities. A unique talent generates the interest; investment, which feeds off commercial strength, will be needed to sustain it. Both sides at last recognise the need for symbiosis.

The London hype could finish tomorrow and we have to look beyond it," says Antonio Berardi.

"Eccentricity is in" but when fashion moves on we have to weather it," agreed Bella Freud.

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FOOD AND DRINK

Wine

Fixing a date with vintage port

Jancis Robinson reports on the varied progress of the great, classic 1977s

Funny thing, vintage port. When it is good it is so absolutely, heart-warmingly delicious that it makes even the greatest bordeaux look rather puny, the finest champagne seem like a frivolous little mouthwash. But when it is unremarkable, it is so exceedingly unremarkable – just a rather coarse mixture of wine, sugar and alcohol.

The key, if the wine is worth it, is to wait, and wait, and wait until all these elements knit together.

The vintage port market has changed enormously over the past 10 years. Until recently, vintage port was made for Brits by Brits, expatriates stationed in Oporto.

It was typically cellared for decades and then drunk from decanters carefully passed from right to left round well-polished college, club and private dining tables.

Today the typical vintage port consumer is an American, who may have fallen for its charms relatively recently, and often sips a glass of, say, 1985 at the end of a meal in a fancy restaurant – very possibly with chocolate fudge tart or a fancy cheese cake.

After a period of flat demand for vintage port in the early 1990s, whale-battered enthusiasm for the quality of the recently declared 1994s has geared up interest so that the prices of even the Cinderella vintages of 1985 and 1983 have also responded – even if price rises have been less dramatic than those for red bordeaux.

The shippers have done their bit to inflame demand by reducing the amount of wine declared as vintage quality – although they have more than compensated for this by a sizeable and thoroughly useful increase in the amount of wine sold as top quality vintage-style stuff from their individual farms, or Quintas.

While waiting for the crazily priced ports of the 1990s to mature, the vintage on which lovers of vintage port are currently staking their hopes for years of glorious drinking ahead is 1977. In every vintage chart and reference work 1977 is hailed as

a great, classic vintage – but how true is this? A dozen or so of us met last week to taste blind 13 of the most significant 1977s, to try to identify the star performers and assess the vintage as a whole.

There were representatives from most of the leading shippers, as well as those who have observed the port scene, either as merchants or commentators, for many years.

The first thing to say about our conclusions is that the vintage seemed disappointingly varied for one so routinely given five stars.

Those who had seen the 1955s and 1963s at this 20-year stage remembered a series of consistently dramatic, deep, dark, brooding monsters.

Our line-up was very dif-

'Anything that tasted fairly drinkable now got half marks from me'

ferent. As it happened, the first two samples looked decades apart. The Sandeman was pale muddy brown with an orange rim, while what turned out to be Smith Woodhouse was the sort of deep, bluish crimson that I would have guessed belonged to a wine made in the 1990s.

A few wines stood out as having a serious future ahead of them, some were downright disappointing and a few were very delicious now but were discounted by port purists as being suspiciously early maturing.

"Anything that tasted fairly drinkable now got half marks from me," said Bill Warre of Warre's port fame sternly. "It shouldn't be happening in a classic year."

There was even less unanimity about these wines than is usual in a blind tasting, but the ultra-optimist Fonseca, which commands the highest price – £900 a

Some vintage port bargains

For 1977 ports, price and quality seem even more out of kilter than usual. Last week far-from-grasping Tanners of Stowesbury offered Fonseca at £94 a bottle, and Berry Bros of London SW1 were selling it by the case at £900 about £80 a bottle.

Just across the street, meanwhile, Jastrem & Brooks' broking department had several cases of our second-favourite Smith Woodhouse for just £132, the same wine being available in the shop for £22 a bottle, labelled as Jastrem & Brooks 1977. St James's is clearly one of

the few places with decent stocks of vintage port.

Berry's wine brokers can field 1977s from at least six important shippers (often sourced from their customers' reserves), and can offer the youthful Gould Campbell for just £20.25 a bottle, or £19 as Berry's own label 1977 – less than you would expect to pay for the 1994 vintage.

Another ship last week was Coombe & Barrow's offer of six magnums of Taylor 1977 at £500 – for large parties only.

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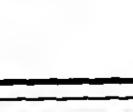
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SAINT RICK



Cookery

Prime time for fish feasts

Rick Stein is back, ready to woo all alleged fish phobics, says Philippa Davenport

Carnevale is over, Shrove tide has been tossed, and romantic Valentine's Day may be over – or may not – have been exchanged. The reality of Lent is sinking in.

Once Lent implied hair-shirting fasting and penance. Now, many seem to welcome the thought of 40 days' abstinence from alcohol "to clear out the system". As for the prospect of meatless meals, never has that idea seemed more appealing – thanks, not least, to Rick Stein, patron saint of Britain's fishmongers.

His trick of adding body and depth to broth by heating in a mayonnaise-type sauce figures in a small new book of sea bass, mussels, squid and prawns, in which the seafood is grilled for intense flavour and laid in a pool of wine stock.

But where does the home cook buy fish of the quality and freshness required for these recipes? City folk are usually assured of a good source of supply. Those who live in the fishmongerless depths of the English countryside may be cheered to hear of a new venture called Cornish Fish Direct.

William Black and Nick Howell, who describe themselves as two of the most pernickety fish buyers in the land, are old hands in the wholesale markets and regular suppliers to chefs. Now spreading their net to home cooks, they aim to supply private customers in mainland Britain by overnight courier with special selection fish boxes and individual orders of top quality fish.

Chapters devoted to hot and spicy foods and deep-fried fish seem designed to convert alleged fish phobics. He largely eschews the elaborate and fanciful in favour of immaculately fresh ingredients cooked with care and simplicity. He gives the occasional time-consuming recipe for days when something special is called for, but most of his dishes are the sort of thing that many would be

happy to cook and eat on a daily basis.

His mild potato curry topped with smoked haddock and a poached egg is a deliciously witty variation on haddock and eggs. He serves skates like jamón persile, poached with herbs in its own jellied poaching liquor. His hot-smoked salmon sandwich with crème fraîche and capers is the sort of sophisticated snack favoured by trendy lunchers now.

His trick of adding body and depth to broth by heating in a mayonnaise-type sauce figures in a small new book of sea bass, mussels, squid and prawns, in which the seafood is grilled for intense flavour and laid in a pool of wine stock.

For the risotto: 225g risotto rice, such as Arborio; 2 tablespoons olive oil; 1 small onion, finely chopped; 1 garlic clove, finely chopped; 85ml dry white wine.

Pre-heat the grill to high. For the sauce, bring 150ml of shellfish stock to the boil and add the remaining saffron strands. Gradually whisk it into the mayonnaise, then pour it back into the pan and cook over gentle heat for a couple of minutes, stirring constantly, until the sauce is thick enough to coat the back of a spoon. Do not let it get too hot or it will curdle. Keep warm while you finish the dish.

Cut each fish fillet in half, brush both sides with a little of the melted butter and a little of the saffron strands. Place skin-side up on the rack of the grill pan.

Heat the remaining melted butter and the oil in a large frying pan until quite hot. Unwrap the risotto cakes, put them into the pan and fry for 1½ minutes until richly golden. Turn carefully, lower the heat to medium-high and fry for another 3-4 minutes until heated right through. Meanwhile

less, make it up with more fish stock.

For the risotto, heat the olive oil in a heavy-based pan. Add the onion and garlic and cook over medium heat until soft and lightly browned. Add the rice and stir around for a couple of minutes, until well coated with the oil. Pour in the wine, bring to the boil and stir until the rice has absorbed all the liquid.

Now add 900ml of the warm shellfish stock in three batches, stirring well until all the stock has been absorbed before adding the next lot. Season. The risotto will take about 20 minutes to cook, by which time the rice should be tender and will have absorbed all the liquid.

Since the risotto is to be moulded into cakes it should be allowed to become really quite thick.

Put six 5cm pastry cutters or egg poaching rings on a baking sheet and line each

Appetisers

Cook with confidence

The latest of chef Pierre White's restaurants to open is Quo Vadis at 26 Dean Street, in London W1 (0171-437 9585). It bears many signs of his distinctive hand: a long, rather rich French bistro menu; plenty of young, predominantly French, keen waiting staff who look conspicuously smart for Soho and a modern, clean look for one of the area's oldest restaurants.

The kitchen already cooks with confidence, most evident in a glistening coq au vin, a roast wing of skate with winkles and deep-fried capers and a pannacotta with poached fruit.

Less encouraging are the absence of vegetables and an absurdly over-priced, if wide-ranging, wine list. The bar on the first floor is buzzing in the evenings although it is not for those who would take exception to the works of artist Damien Hirst. The set lunch costs £14.95 for two courses and the à la carte dinner around £40 for three.

Two streets away, at 63 Frith Street (0171-734 4545), Bistro Bruno, chef Bruno Loubet's Soho stop before he went on to open L'Odéon, has undergone refurbishment and redirection with the focus on dishes from North Africa, a region reputedly inspiring several other London restaurants this year.

Other openings, more specifically for those who prefer the charms of a smaller, more intimate restaurant, include Yoshino at 3 Piccadilly Place, W1 (0171-287 6622), where the dinner menu, in Japanese only, is expensive but the lunchtime sushi menu more

reasonably priced and Opus 70, an extension of the Mayfair Intercontinental, Stratton Street (0171-915 2842), which offers enthusiastic service and a catholic wine list rather than inspired cooking.

Nick Lander

■ This year marks the 15th anniversary of organic herb specialists Hambleton Herbs. The Somerset company now supplies a comprehensive range grown in the UK; some 450 varieties are stocked and it sells to food and drink processors, herbal medicine makers as well as by mail order to the general public. Postage and packing is free on orders of more than £12. Contact Mail Order Service, Hambleton Herbs, Court Farm, Millerton, Somerset. Tel: 01823-40205 or fax 01823-400276.

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Chardonnay is the only white wine James Herrick makes – he has to get it right, and after 22 years studying the grape around the world he knows how. He controls quality by growing his grapes in his own three vineyards, and by balancing the strengths of each in his vintage. He combines Old World skills with New World technology, the vigneron's nose and palate with malolactic fermentation and a formative time – no more – in cask. The result is a Chardonnay of classic length, power and elegance.

Not too fruity, not too dry; not too lemony, not too oaky.

Just right.

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TRAVEL

Brittany

Leave the mobile phone at home

Sue Style finds some bolt-holes for busy people

Picture a long, white building standing alone at the edge of a deserted beach. Gulls wheel, oyster catchers chase in and out on the receding tide. A solitary figure bends low to collect shells, the occasional jogger trots past.

The waves, white-tipped, roll in. Across the bay sailing boats weave and tack. This is the Hotel de la Plage et Sainte-Anne-la-Palud in Finistère, on the magnificent Crozon peninsula.

It is a characteristically understated sort of place. If you relish windy walks on the beach, wonderful food, and a clean break from the traffic, noise and people, look no further.

Monsieur and Madame le Coz are the hosts, the third generation of the family to run the hotel since Monsieur's grandparents founded it 70 years ago. A double

room costs between FF1300-FF1300 (£85-£140) and Relais-et-Château membership ensures an international clientele: guests come from France, Britain, Belgium, Germany and Switzerland, with a sprinkling of customers from Italy and the US.

One of France's great hiking trails (*les Grandes Randonnées*) goes past the hotel: Douarnenez is 29 hours one way.

The Menez-Hom landmark a more ambitious walk the other. In summer you can indulge in some gentle bucket-and-spadeing, take a brisk dip, in the ocean or the hotel pool, play tennis or go for a sail. The attractive market town of Quimper, the beautifully austere granite village of Locronan and the Crozon peninsula are all within striking distance.

In summer, for FF750, you can have lunch on the terrace in front of the hotel. At dinner the main restaurant,

with its legendary view out over the beach and bay, comes into its own. Save one evening for the Menu Neptune at FF450: lobster (for which a magnificent bib-and-tucker and sundry weaponry are provided), followed by a choice of turbot or pigeon with *foie gras* and an impressive selection of cheeses and desserts.

Blue glass beads lie on the tables like pennies on the beach; for most guests, they serve as almost irresistible worry beads. Marie-Thérèse, a sympathetic waitress/housekeeper-nanny figure of many years' standing at the hotel, takes infant French gourmets through their paces with the cheese trolley, initiating them into the delights of *camembert au lait cru*. Out on the beach, infant Britons are taken through their paces with cricket bat and ball, and feast on Marmite sandwiches. It's all a question of

focus.) At around 9.30pm in mid-summer the waiter moves to the window, the blinds are raised and the curtain goes up on a show-stopping performance of the setting sun. As winter drags on it is nice to think of these things.

The sunsets are also superb up on the north coast at Cancale, with the added bonus of views over the bay of Mont Saint Michel. Here Olivier Roellinger's Maison de Brécourt makes another great destination for a get-away-from-it-all gourmet weekend. There is a top-class

restaurant in a little 18th century town house and two hotels from which to choose: Les Riomains in town and the Château Maison Richéron further round the bay. The former (with only six bedrooms, FF750 and FF750) is cosy and intimate, the atmosphere a bit reminiscent of a private house party.

Guests are looked after by



You are now entering Brittany: the fort at St Malo

Ray Roberts

Madame Annette. Trivial Pursuit, decks of cards and newspapers in various languages are scattered about the house. There are stunning views over the bay and the Cancale oyster beds below, and the restaurant is within walking distance.

The Château Maison Richéron, set on a cliff-top with distant views of Mont

St Michel, is the crowning folly of the Roellingers - as they themselves, rather disarmingly, describe it. Built originally in the 1920s, it is reminiscent of the sort of timbered and turreted manor you see at Deauville and Trouville. Rooms range from FF750 to FF1350 and the hotel has its own restaurant, Le Coquillage. Here the

food is somewhat lower key than in the town restaurant, though provisions are centrally purchased and the cooking overseen by Roellinger.

The garden has also been restored to its former splendour: planted with numerous old varieties of fruit trees (complete with bees to pollinate them), it also boasts a purpose-built wood-fired oven in which all the house breads are baked.

Both the Maison de Brécourt and the Hotel de la Plage are havens of peace, essential bolt-holes for the busy. The next time things get too much, clear your desk, stow the mobile phone, and pamper yourself for a long weekend - or longer.

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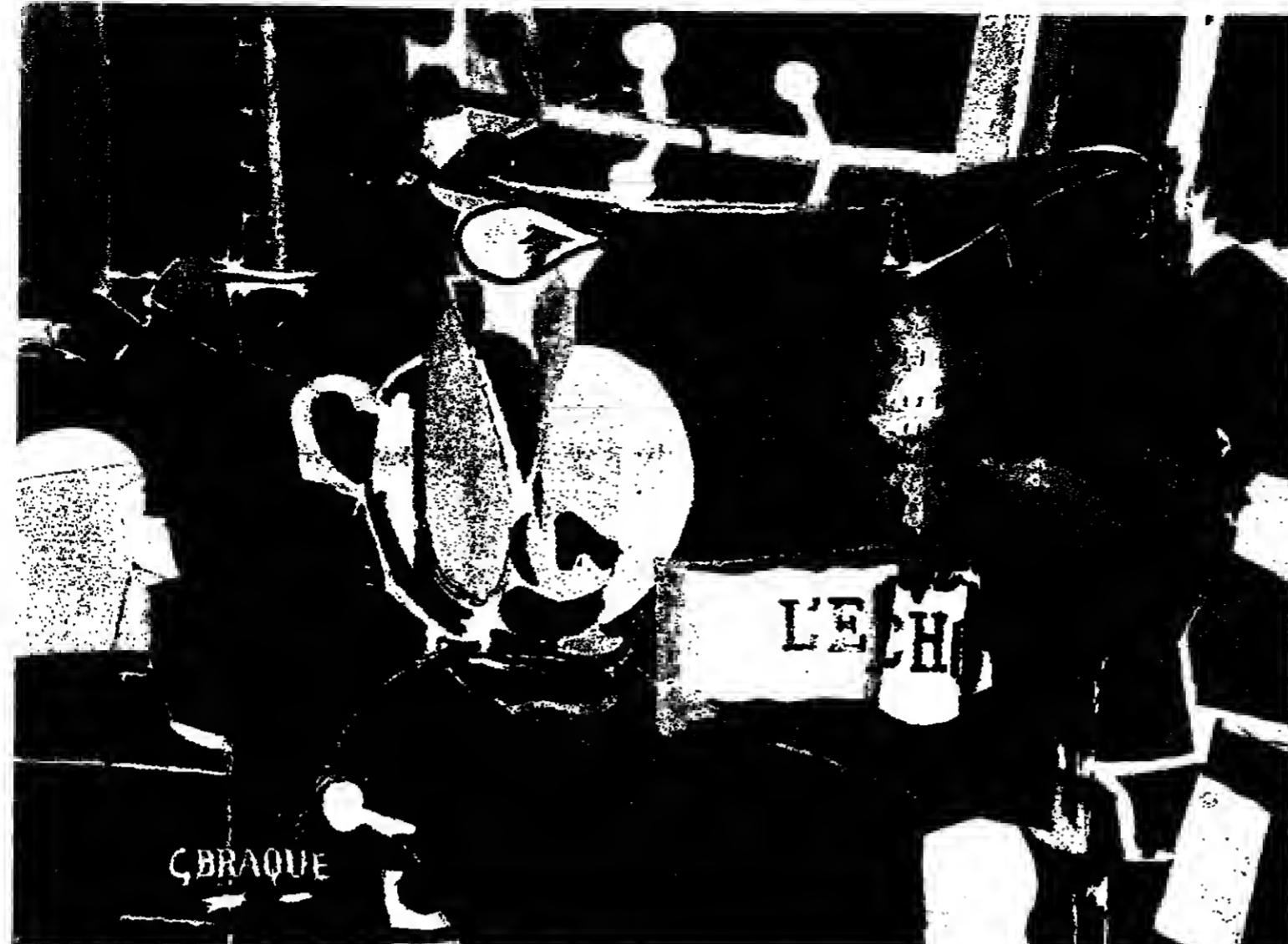
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TRAVEL



One of Braque's later works, 'The Echo', oil on canvas from a private collection

Skiing Holy blood at the heart of a village

Arnie Wilson visits one of Klammer's old haunts

The valleys used to provide one-tenth of the world's gold production, but now snow provides Heiligenblut with its livelihood and has twice altered its history.

On January 21 1951 - before it had even opened as a ski resort - so much snow fell in the mountains above the village at Seppenalm that an avalanche crashed on to the houses and tiny streets more than 3,600ft below. Twelve villagers were killed.

Farmers bringing hay down to the valley by sledges from the high pastures found his body in bizarre circumstances.

According to the legend,

they saw three ears of

wheat sprouting unseasonably through the snow. They dug up the wheat and dis-

covered the body of Briccius.

Today, the ski slopes are riddled with avalanche

fences and pyramid-shaped

snow barriers to prevent

anything like it ever hap-

pening again.

Even more dramatic events took place earlier in the history of this quaint Austrian village in the Hohe Tauern national park, reputedly the largest in central Europe, with more than 300 mountains and almost 250 glaciers.

In early 18th century Con-

stantinople, according to

legend, an unnamed miscre-

ant slashed at a crucifix

(another version says it was

a portrait of Christ) with his

knife, and to everyone's

astonishment, "blood"

began to gush from the

jagged hole.

Onlookers gathered the

liquid in a glass phial which

found its way into the pos-

session of Briccius, a Dan-

ish mercenary.

When Briccius started his

long journey home from

southern Europe to Scan-

dinavia, soldiers were sent

in search of him to try to

persuade him to return the

precious liquid. The Dane,

warned of the soldiers'

approach, hid the phial in

the most extraordinary

fashion: he slit open his

right leg, inserted the tiny

container, bound the wound

and continued his journey.

But on the high Alpine old Roman road beneath the Grossglockner, Austria's highest peak at 3,798 metres, Briccius was killed by an avalanche (or in a snowstorm, according to another version).

Farmers bringing hay down to the valley by sledges from the high pastures found his body in bizarre circumstances.

According to the legend, they saw three ears of wheat sprouting unseasonably through the snow. They dug up the wheat and discovered the body of Briccius.

Today, the ski slopes are riddled with avalanche fences and pyramid-shaped snow barriers to prevent anything like it ever happening again.

Villagers found the phial of holy blood still hidden in the flesh

they found the phial of heiligenblut, or holy blood, still hidden in the flesh.

When they later discovered how it had got there, they built a church, completed in 912 and displayed the phial.

Onlookers gathered the liquid in a glass phial which found its way into the possession of Briccius, a Danish mercenary.

When Briccius started his long journey home from southern Europe to Scandinavia, soldiers were sent in search of him to try to persuade him to return the precious liquid. The Dane, warned of the soldiers' approach, hid the phial in the most extraordinary fashion: he slit open his right leg, inserted the tiny container, bound the wound and continued his journey.

The lift linking the two main areas - Schreck/Viehhübel and Galditroghöhe - is like something from a movie. Eleven gondolas are linked together like a train and run almost a mile through a rock tunnel from Rossbach to Fleissalm, at the base of what must be Austria's longest T-bar, which takes skiers for a 2km ride up towards the summit at Galditroghöhe (2,980m).

There is another way to reach these windy slopes - but only via the daunting ski route descent from Schreck (2,604m). And to get home at the end of skiing, the only way is through the Tunnelbahn.

Heiligenblut, which opened in 1958, has quite an impressive ski area for a small village which only runs to 10 full-time instructors. There are 14 lifts (including the tunnel shuttle and two gondolas) serving mainly blue and red runs, many of them surprisingly long, plus some significantly off piste.

As a boy, former ski racer Franz Klammer, Corinthia's favourite son, used to travel the 100km here from his home near Bad Kleinkirchheim to race. Last weekend, he returned once more to the course in just the kind of children's race he used to win so regularly as a child.

Theo, gathered for a typically Corinthian hot cranberry schnapps - blood red, of course.

■ Arnie Wilson's visit to Heiligenblut was organised by the Austrian National Tourist Office, 30 St George Street, London W1R 0AL. Tel: 0171-629 6146. He flew with Lauda Air (0171-630 5224) and stayed at the four-star Hotel Viln Kluiser Franz-Josef.

Pays de Caux

A brush with Braque

Antony Thorncroft traces the artist from London's Royal Academy back to France

Gauguin and Tahiti, Constable and Suffolk, Van Gogh and Provence. Braque and...

Until recently, anyone anxious to understand the paintings of this great French artist, Picasso's chum and the creator of Cubism, through the environment in which he worked, would have been confronted by a studio in a Parisian back street.

Braque was notorious for not leaving his workplace, for painting the objects at hand, a procession of still-lives and interiors. All that has changed, thanks to an eye-opening exhibition at the Royal Academy which uncovers Braque's long overlooked later years.

It seems that the serious, respectable, old work-horse did get out and about, and the countryside where he spent his summers, and which revitalised his painting, was the Pays de Caux, the coastline west from Dieppe going into Normandy.

This region is eminently accessible to his British fans, either via a two-hour catamaran ride from Newhaven, or a meander down the coast from Boulogne or Calais, taking in the seductive charms of Etaples, Le Touquet, and Valéry sur Somme, the medieval port from which William embarked to conquer England.

No one visiting the RA show can fail to notice the switch from the formal, meticulously deft but soulless, still-lives in the main galleries, and the small, intimate, seascapes and landscapes inspired by his months in Varengeville, the coastal village outside Dieppe where Braque built a house in 1931.

The poet Jacques Prévert summed them up: "dark salt clouds, sunlit shores, the skeletal plough, an earthly wreck, carcasses of boats, debris of the sea". These are the paintings linear, brooding, evocative, naturalistic, a relief of emotion after the formal brilliance.

Visit Varengeville and it all comes to life. The village is 15 minutes from Dieppe, off the main road, a straggle of lanes and hedgerows, vaguely Devonian and seemingly prosperous. The houses mix neat modern bungalows and wood stripped, wattle and daub, Normandy cottages, plus red and white brick-lined fortified mini-manor houses, audaciously turreted.

One particularly beguiling lane is signposted "Le mer" and leads down through the narrowest of gaps in the cliffs to the sea, a threatening sea on a winter's day with its black stones and white boulders, the high cliffs of Dieppe, in the distance and a wrecking beach stretching along the shore. The horizon seems very close and the desolation is conveyed in his

paintings seems very real. But there are more than images of Braque in Varengeville. He chose to be buried here, along with his wife of many years, and his tomb in the village churchyard is modest, a marble slab on which is mounted a mosaic of a bird in flight, the bird that featured in so many of his later paintings.

The church is remarkable in itself, perched on a promontory at the end of the road, high above tumbling valleys to the sea. It has Norman vaulting and a vast 16th century porch.

It also has a stained glass window by Braque, bright cheerful blues forming the branches of a tree bearing the names "Jesse, Marie, Jesus". Here the religiosity of Braque is given free expression.

On the outskirts of the village there is more of his stained glass, in the chapel of Saint-Dominique. This is a different experience. While the church is cheerful and blustery, the chapel, a converted barn, is a clever pastiche of medieval gloom, lit by candles. Braque's windows filter the light through browns and yellows, very much like his paintings.

Braque's windows filter the light through browns and yellows. The atmosphere is reverential yet it was this experience of working in stained glass in 1953 that tightened up his palette for the studio paintings.

Braque's home and studio is not accessible but Varengeville has an alternative attraction for British visitors, one of the first houses designed by Sir Edwin Lutyens with a garden by Gertrude Jekyll.

Le Moutier des Moutiers was built by an Anglophile in 1888 and recreates an 18th century English garden and park, but with vistas replicating paintings by French artists such as Poussin and Claude. No modern roses are allowed to break the antique pastiche.

What makes it un-English is its situation - on the edge of deserted, precipitous, cliffs. Throw in a 16th century manor house, and Varengeville is a notable place to stay.

The village inn dispels the rumour that French cooking has gone micro, with a FF197 menu offering oysters and fish soups, sole and steaks, salads and cheeses, and fancy desserts, served by the owner on tables crammed with local people.

You can stay in the Auberge or in Dieppe, which

is pulling itself out of its recent decline and stripping itself back to its past, when it was a great buccaneers' port.

The old city walls may have gone but the 16th century castle still stands above the town and contains its own tribute to Braque - an extensive collection of his prints on permanent display.

If you want to stretch your

Varengeville and was equally taken by the inland vistas, painting brown earth as well as grey sea, crows as well as gulls. In 1951, near death, he acknowledged the thread between the Varengeville paintings and the Cubist breakthrough of 50 years earlier. One of the great art movements of the 20th century can be reassessed.

Varengeville was and remains oblivious to how it got its name. But there is plenty more to interest them in the mountains above the church of the Holy Blood.

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TRAVEL

French Hotels

A nice little auberge or a grand hotel

Roger Bray picks some favourite places to stay, both old and new

French hoteliers have always concentrated more effort on their kitchens than their bedrooms. That may not be true of business hotels or those of grand tradition, such as the Carlton at Cannes, or the Hermitage in Monte Carlo, but it is of the broad mass. Upstairs has been somewhere to stagger to after six courses and a couple of *vieilles prunes*. The state of the wallpaper is immaterial.

There are signs that this may be changing. A new breed, such as Jean-Louis and Jocelyne Sibuet in the Alpine resort of Megève, have been converting and creating hotels with great flair. And even Logis de France, an essential aid for anyone pottering about the provinces, has upped its quality criteria.

Every Francophile has

favoured standbys. Mine include the Grand Hotel de l'Europe (tel: 0038 3 25 87 10 88 - double room from FF1200) in the pleasant hilltop town of Langres, north of Dijon. Parking in the back courtyard is like solving some inextricable, interlocking puzzle, the rooms are big and cracking, and the evening *prize frite*, while it might not win garlands of rosettes, is solidly consistent.

"Grand" may be over-egging it but its atmosphere, which I hope will survive a change of ownership, is the

essence of French family hotel keeping.

Another is Aux Armes de Champagne (3 26 69 30 30 - 88 - double room from FF1350), which stands next to the extraordinary Basilica of Notre Dame which rises abruptly above the fields at L'Epine - the bells ring each hour but if you are a light sleeper, you can request a room in the more distant annexe. This one does have a Michelin star - for specialities such as *galette croissillante de cèpes en fine croute de pommes de terre* (in the fungus season). My abiding memory is of its

floors and immaculately polished furniture, fresh flowers and starched linen - touches which result from unstinting attention to basics.

A little further north, in Châlons-sur-Marne, is L'Angleterre (3 26 68 21 51 - from FF1400), a traditional hotel with rooms which are comfortably modernised and functional, if nothing special. Its restaurant, Jacky Michel, also merits a star and served a dinner which was memorable.

To the south-east, in the Jura, is the Grand Hotel des Bains at Salins-les-Bains (3

84 37 90 50 - from FF1250). Set in the centre of a village surrounded by forest, it has a smart thermal swimming pool and a gymnasium.

I have heard great things about Le Cheval Blanc (2 47 30 30 14 - from FF1300), at Blérancourt, about 17 miles from Tours in the Loire Valley. It has a courtyard hung with vines and flowers where the patron brings pre-dinner drinks and *amuse-gueules* - little egg cup pots of *moules marinières*, or soup, and cooking that rates one star in Michelin.

Les Fermes de Marie (4 50

93 03 10 - this summer's prices not yet available - last summer's from FF11,000 for two, with breakfast), the Sibnets' stunning creation in Megève, is in a different league. Its proprietors, who have also refurbished the resort's Hotel Mont Blanc, a former haunt of Jean Cocteau, collected timbers from old Savoyard alpine farm buildings and reassembled them in the style of a rural bambolet. The reception, lounge and restaurant building is a high ceilinged marvel of interlocking wooden beams.

Customers of VFB

(01242 240830) vote for their favourites - and the list is carried in the company's brochure. Current number one in the three-star category is Le Mas Trilles, near Perpignan (260 a head, half-board).

Powder Byrne (0181-871 3300) offers a tasty selection which includes the Hotel Palais Masterlinck, which overlooks the sea near Nice, where two nights, by air, cost around £328 per person (extra nights £28).

Others able to make personal checks and suggestions include: Unicorn (01822-634400), which has a brochure of château hotels; Inn-Travel (01653-628811), which offers holidays incorporating the Cheval Blanc at Blérancourt; and Arblaster & Clarke (01730-993344), which specialises in wine tours and will arrange hotels for those taking the tours.

Customers of VFB

Just a few yards from the shore a strange white head reared out of the aquamarine sea. The forehead hunched like a large, pale yellow melon and a dark eye, set above the lips of a perpetually smiling mouth, regarded me enigmatically.

I was being checked out by a beluga whale, a 16ft long female with a much smaller dark grey calf in tow. She flicked her tail vigorously to keep me in sight for perhaps 30 seconds and then sank back into the Arctic Ocean with a sigh.

She was by no means alone. All around the long white backs of more belugas broke the surface, sending noisy plumes of wispy spray high into the cold air. Some whinnied like horses and there was even the occasional burst of whale song. Later, on our way back from Prince of Wales Island to the Arctic Watch Lodge near Resolute in the High Arctic, we encountered the High Arctic, we flew low over the whales.

Below us, probably 400 slim white ghosts drifted easily through the blue. Remarkable as this sight was, Pete Jess told me that it bore no comparison with the wall to wall belugas which greeted his anxious eyes when, in 1976 as an Arctic helicopter pilot, he lost his way in fog while searching for a fuel cache.

He returned two days later, when the weather had

Nature Watch

The great choirs of whales

Michael J Woods answers the enigmatic call of the beluga in the High Arctic

improved, and observed one of the wonders of the natural world - more than 2,000 of these white whales (really dolphins) in the shallow inlet at Cunningham on Somerset Island gathered to grade their moulting skins against the stony bottom of the estuary.

He was determined to share the experience with his wife, Judy, their family and, later, with others. After prolonged negotiations with the Canadian government, in 1990 the Jess family acquired a crown lease of a small area of the barren wastes on the edge of the Cunningham River and in 1991 they camped on the beach for the six weeks or so in July and

August when the whales are present.

The Arctic Watch Lodge was to come the following year. It is a futuristic structure based on vaulted light-weight frames covered with a white plastic material capable of withstanding winds of 100mph. Smaller domes, called *garmags*, the Inuit word for temporary structures, make up the ensuite bedrooms.

While no more than a collection of plastic tents, and chilly ones at times, it is a miracle the Lodge is here at all considering the logistical problems of flying the camp - including heaters, generators, all-terrain quad bikes and catering kitchen - to the

site. It took 180 flights in a Twin Otter aeroplane, the workhorse of the Arctic, to establish a lodge where visitors can stay in relative comfort in the often inhospitable Arctic conditions.

As we prepared to fly the final hop from Resolute to Somerset Island, after a six-

Cruising along: a beluga whale off the Canadian coast

Photo: Earth Pictures

General Information

Michael Woods flew via Qantas to Resolute in the Canadian High Arctic with Arctic Watch Airlines (UK tel: 0171-8115700) and stayed at Arctic Watch Lodge on Somerset Island. A number of British operators include Arctic Watch (tel: 0181-871-218800), Arctic Expeditions (01383-930204) and Wildlife Worldwide (0181-871-97589). A week at Arctic Watch, including flights, will cost around £2,250. The weather is often very changeable, so visitors should take all-weather fleeces and down clothing, such as that supplied by Mountain Equipment in the UK (01473-856240).

With its oversized, under-inflated tundra tyres, coming down in the Twin Otter on Arctic Watch's undulating gravel strip, which bends like a banana, was the climax of any flight.

This is an unforgiving land. The weather changes on the instant and, so the local saying goes, if you do not like the present conditions, you only have to wait for five minutes for something different. In the darkness of winter the cold and snow can be brutal.

By comparison with Cunningham Inlet, Prince of Wales Island, a couple of degrees to the south, was almost lush. Here the Drovers flourished in lavish

international Whaling Commission.

Adam Kalluk, an Inuit who works at the Arctic Watch Lodge, was incensed and said they had been warned in the past. He added: "It is an unnecessary waste and will bring quotas unless we act responsibly."

While *muktuk* is not served at Arctic Watch, there is no chance of suffering from a lack of vitamin C even if, like our party, you become trapped by the weather for three days. The menu there is excellent and, as well as venison, Arctic char and crab, included such delights as roast hip of musk ox and fiddlehead ferns. Even in the Arctic it is possible to eat in style.

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For a long time, we had been driving deep into the unit Hungarian countryside, the border with Romania drawing ever closer. We intended to cross not far from Timisoara, that bloody symbol of Romania's struggle to overthrow the despot Ceausescu.

The road ahead, on this starless night, lay dark and empty. But not for long. The rear of an unit truck came into view. It proved to be a transcontinental Leviathan, parked nose-to-tail with hundreds more like it. The hindmost clearly faced a wait of days to cross the border.

We were luckier. But as the crossing point, an eerie island of light, receded into the blackness, our swinging headlights picked out a small and solitary boy. Aged eight at most, he was painfully thin, ragged, filthy and barefoot. But he was leaping up and down and cheering merrily.

We could not stop - we were competing in the 1993 London-Sydney marathon - but the questions have stayed with us. There was no habitation for miles, so where were his parents? Or was he one of Romania's wandering orphans? How did he live? And how, in such circumstances, could he summon up such a joyful, extrovert enthusiasm?

Even in the 3½ years since that encounter, much has changed for the good in Romania. Yet, although little more than a day's drive from Austria, it is still a step back of years in terms of their frontier.

The roads are, almost without exception, poor. A rural Romanian pothole is called a crater elsewhere. But much of the countryside is green, varied and attractive, contrasting with villages half torn down and scarred by Ceausescu's attempts to destroy an entire rural culture.

Indeed, in Russia and the coun-

tries of the CIS, individual travel by car is still restricted. Accommodation must be booked and routes planned beforehand, and both must be listed on your visa and the mandatory "Autotourist" itinerary card.

Visas are not normally issued to individuals unless booked through an accredited tour

The roads are poor. A rural Romanian pothole is called a crater elsewhere

group. Then, too, you are advised to take a diesel car since unleaded, or even reasonably high-octane leaded, petrol is hard to find outside Moscow (standard issue is just 76 octane).

And be warned: car-related crime is high. If undeterred, contact independent Travel Department, Intourist Travel, London. Tel: 0171-538 5998.

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Estonia, Latvia or Lithuania. A further word of warning: to enter the old, elegant cities of Tallinn and Vilnius, motorists must pay an entrance fee. And they must forego even a single glass of wine: the blood alcohol limit is zero.

Hungary, the Czech Republic, Slovenia and Bulgaria are tapping into the motoring holiday mainstream, too. Lake Bled, for example, is situated spectacularly amid the mountains and forests of north-west Slovenia. Although a long drive, requiring transit through Austria, it is a near-paradise for motorists and hikers. Hotels such as the Ribno and Park require no compromise from western standards.

No visas are required and some leading tour operators, such as Crystal and Inghams, are happy to adapt their usual flight-based holiday packages to Hungary, Bulgaria, Slovenia and the Czech Republic to the needs of motorists travelling on their own. Running north-south for 480 miles between Estonia's capital, Tallinn, and across the Polish border into Warsaw, it provides ready access to the Baltic states' other capitals, Riga and Vilnius.

Not long ago, fuel availability and accommodation remained a major problem. Now, a Finnish oil company, Neste Oy, has set up a chain of western-style, 24-hour petrol stations with their own breakdown assistance and other comforts for the traveller along the entire length of the Via Baltica. Visa, Diners Club and Eurocards will do nicely.

Accommodation standards are rising sharply as well and, in the capitals at least, a broad spread in terms of price and comfort has become available. Intourist remains the main booking and advice route (see telephone number above), although all three Baltic states have national motoring organisations more than willing to provide detailed advice. No visas are required in

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On the Road in Eastern Europe Indulging a sense of adventure

Taking a car into the former communist fiefdoms has become much easier, says John Griffiths

larger towns, horse-drawn traffic considerably outnumbers cars and buses. For miles, roads lie mostly empty; the only "jams" are caused by flocks of long-haired, evil-smelling sheep.

To explore Romania by car is thus to enjoy - or more frequently, perhaps, to endure - a sense of adventure simply not available on the well-beaten motoring holiday routes of western Europe. Getting there requires only an easily obtainable visa and some fortitude in terms of hotel accommodation. Unleaded petrol is available widely.

Like other central and east European states, for many years Romania was a closed door to casual visitors. Now the door is open in nearly all of them, the temptation is strong to take a car and examine what lies beyond their frontiers.

Such adventures do require caution. The bureaucracy/autocracy culture lingers. To enter without documents clearly proving ownership, insurance and intention to take the car out again is to risk interrogations, delays and - in extremis - vehicle impounding. A motoring package holiday such trips are definitely not.

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tries of the CIS, individual travel by car is still restricted. Accommodation must be booked and routes planned beforehand, and both must be listed on your visa and the mandatory "Autotourist" itinerary card.

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Road Test Saxo appeal? It's got the lot

Stuart Marshall (and his wife) find Citroën's supermini both potent and affordable

Delegation, they call it. Citroën UK sent me a small, automatic five-door with power steering to try. I thought it might be the ideal car for the mature woman driver who, reasonably enough, cares little what she drives so long as it is compact, comfortable, parks easily and is effortless to handle.

So I did the sensible thing and handed it over to my wife to evaluate. But, after a few days, I found that getting her out of the driving seat was nothing like so easy as getting her in.

We were off for a round of golf. "No, thanks; I will drive - you can read the paper." My clubs and Hill Billy (for the uninitiated, a folding but still space-consuming electric trolley) are already in the back. I am sure there will be tons of room for your

bag and trolley as well." She was right. With the rear seat folded down, estate-car style, there was.

"This little car," she said, proceeding smartly along the B208 towards Dales Hill golf complex in East Sussex, "has all the nice things you expect to find in bigger, dearer ones. Remote central locking, driver's airbag, a keypad engine immobiliser and a decent sunroof, for example. And power-operated windows and door mirrors.

"I haven't tried this electro-hydraulic power steering before; it's incredibly light for parking but nice and positive on a winding road like this one. I think the Saxo rides very well for a small car. The automatic transmission is smooth, acceleration is nippy and there always seems to be engine power to spare.

I reckon a two-pedal Saxo

"And," she added, "these are proper Citroën seats; quite soft but supportive. I've never understood why some car-makers tell you that hard ones are good for you. It is rather like saying that only a horrible-tasting medicine makes you better."

We had a very good round, even if my wife did beat me. I was allowed to drive the Saxo back home. It proved to be everything she had said.

Citroën claims the Saxo VTS, which sells for £11,995, outperforms any of its rival superminis and that even the less-powerful VTR out-accelerates a VW Polo 16-valve and Ford Fiesta Si. (Citroën murmurs that the 1.6-litre VTS would show a clean pair of heels to that archetype of small, hot hatchbacks, the 1.9-litre Peugeot 205 GTI.)

The figures will quicken

the pulse of many a 17-year-old, dreaming of having his own car instead of just being allowed to drive mother's ageing Metro when she does not need it for shopping. But to look at him in isolation is to miss the point of the Saxo VTS and VTR.

On the road, there is not a huge amount of difference between VTS and VTR in perceived performance. Test track figures show that, at 7.2 seconds, the VTS is just over two seconds quicker from 0-60 mph (0.96kph) than the VTR (9.3 seconds) and peaks at 127 mph (204 kph) against 116 mph (187 kph).

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With wider than normal

track, larger diameter anti-roll bars at front and rear and ultra-low profile tyres, they steer, handle and hold the road as only limited production supercars did a few years ago.

Driven responsibly, the VTS is as safe as it is swift. There are disc brakes all round with ABS and, should the worst happen, twin airbags, pre-tensioned front seatbelts, and a passenger cell protected by crumple zones and reinforced roof.

It is there any real need to send the rev-counter needle swinging round the dial by over-enthusiastic use of the close-ratio gearbox. I must, however, end with a cautionary note. If driven irresponsibly - say, by a young man with limited experience and inflated ideas about his skill - small, affordable and potent hatchbacks such as the Saxo VTS can be anything but safe to their occupants and other road users.

It cannot be said too often that the most dangerous component of any car is the nut behind the wheel.

Sentimental Journey You can't beat a real banger

Steve Cropley recalls his first car - romantic and highly impractical

When my 16-year-old son gets his driver's licence next year - and statistics say he will take a couple of attempts to do it - he will be driving his own car. It will be a small hatchback of the Ford, Vauxhall or Rover persuasion, undistinguished in specification or colour and with the smallest engine money can buy.

I know these things because my son and I have been putting practical thought into the

INTERNATIONAL ARTS GUIDE

What's on in the principal cities

■ AMSTERDAM

CONCERT

Concertgebouw Tel: 31-20-6718345
 ● Houston Symphony Orchestra: with conductor Christoph Eschenbach and pianist Mitsuko Uchida perform works by Beethoven and Bruckner; 8.15pm; Feb 24

EXHIBITION

De Nieuwe Kerk Tel: 31-20-6268168
 ● Catherine, the Empress and the Arts: exhibition featuring 19 old master paintings from the collection of the Russian Tsarina Catherine the Great (1729-1796), including works by Titian, Bordone, Rubens, Hals, Jordens and Rembrandt. Alongside these paintings other art objects and personal belongings of the Czarina are displayed; to April 13
 Stedelijk Museum Tel: 31-20-5732911
 ● Markus Lüpertz: a large retrospective of the work of the German painter Markus Lüpertz. Among the works on display is "Golgatha" (1993), a major piece recently added to the museum's collection; to Mar 31

■ BARCELONA

EXHIBITION

Fundació la Caixa Tel: 34-8-4588907
 ● Oskar Schlemmer: this exhibition, the first Oskar Schlemmer retrospective in Spain, brings together a representative selection of works from all stages of his artistic career. On display are his cubist paintings, works which present his ideas on theatre and dance, as well as drawings done from the window of his house when the Nazi regime had labelled him as a degenerate artist and forbade him to work. Also included are filmed reconstructions of the Ballet Triadic and the Bauhaus ballets; to April 27

■ BERLIN

CONCERT

Berliner Festspiele GMBH Tel: 49-30-254690
 ● Deutsches Symphonie Orchester Berlin: with conductor Marek Janowski and trumpet player Reinhold Friedrich perform works by Schenker, Mündy and Xenakis. Part of the Musik-Biennale Berlin; 8pm; Mar 1
 OPERA
 Deutsche Oper Berlin Tel: 49-30-3438401
 ● Die Entführung aus dem Serail: by Mozart. Conducted by Sebastian Lang-Lessing, performed by the Deutsche Oper Berlin. Soloists include Johannes Terre, Amanda Halgrimson, Gwendolyn Bradley and Uwe Peiper; 7.30pm; Feb 28
 Staatsoper Unter den Linden Tel: 49-30-20354438
 ● Lulu: by Berg. Conducted by Michael Gieben, performed by the Staatsoper Unter den Linden. Soloists include Laura Alkin, Rosemarie Lang, Dagmar Pecková and Werner Rehm; 8.30pm; Feb 23, 26 (7pm); Mar 1 (6pm)

■ BIRMINGHAM

CONCERT

Symphony Hall Tel: 44-121-2002000
 ● City of Birmingham Symphony Orchestra: with conductor Sir Simon Rattle, soprano Julianne Banse, bass David Wilson-Johnson, the City of Birmingham Symphony Chorus, BBC Singers and the City of Birmingham Symphony Youth Chorus perform works by Stravinsky and Henze; 7.30pm; Feb 27

■ BONN

EXHIBITION

Kunst- und Ausstellungshalle der Bundesrepublik Deutschland Tel: 49-228-9171200
 ● Die Grossen Sammlungen VI: Zwei Gesichter der Eremitage: exhibition featuring works from the Hermitage Museum in St Petersburg. Included in the exhibition are 150 gold objects from the Scythes (7th to 3rd century BC) as well as works by late 16th century and 17th century Italian, Spanish and French artists. Featured artists include Caravaggio, Carracci, Reni, Velázquez, Murillo, de Ribera, Poussin, and Lorain; to May 11
 OPERA
 Oper der Stadt Bonn Tel: 49-228-7281
 ● Die Zauberflöte: by Mozart. Conducted by Gustav Kuhn, performed by the Chor der Oper der Stadt Bonn and the Orchester der Beethovenhalle Bonn. Soloists include René Pape, Lothar Odinius and Raimo Laukka; 7.30pm; Feb 25, 28

THEATRE

Kammerspiele Bad Godesberg Tel: 49-228-82080
 ● Fröhlings Erwachen: by Wedekind. Directed by Manfred Bellmer, performed by the Schauspiel Bonn (premiere); 7.30pm; Feb 28

■ BRIGHTON

EXHIBITION

Brighton Museum and Art Gallery Tel: 44-1273-803005



Fernand Léger's 'The Blue Dancer' 1930 on show in New York

● Goya: The Disparates: display of 18 prints made by Goya in his 70s, featuring scenes of witchcraft, war, deformed creatures and flying men; from Mar 1 to April 13

■ BRUSSELS

CONCERT

Palais des Beaux-Arts Tel: 32-2-5078200 (Concerts)
 ● Maxim Vengerov and Igor Uryash: the violinist and pianist perform works by Mozart, Shchedrin, Tchaikovsky and Elgar; Feb 27

EXHIBITION

Palais des Beaux-Arts Tel: 32-2-5078468
 ● De Kunst van het Verzameleen: major exhibition of 20th century works of art from the collections of five Dutch museums: the Van Abbemuseum (Eindhoven), the Haags Gemeentemuseum (The Hague), the Museum Boymans Van Beuningen (Rotterdam), the Museum Kröller-Müller (Otterlo) and the Stedelijk Museum (Amsterdam). Artists represented include Picasso, Mondrian, Dibbets, Nauman, Malevich, Brueghel, Leger, Dubuffet, Jorn, and Kien; from Feb 26 to May 25

■ CHANTILLY

EXHIBITION

Musée Condé Tel: 33-44-570800
 ● Raphaël et son Cercle: exhibition on the occasion of the centenary of the death of the art collector and donor duke Henri d'Orléans (1822-1897), featuring 54 drawings by the Renaissance artist Raphael and his pupils, including Girolamo Genga, Giulio Romano, Pertino da Vaga and Polidoro da Caravaggio. Alongside these are sketches by Raphael, "modelli" by Romano, drawings formerly attributed to Raphael and his circle and other works; from Mar 1 to May 29

■ COPENHAGEN

DANCE

Det Kongelige Teater - The Royal Theatre Tel: 45-33 69 69 69
 ● Royal Danish Ballet: perform Peter Martins' "Ash" to music by Torke; "Zakouski" to music by Fachmaninov, Stravinsky, Prokofiev and Tchaikovsky. "Barber Violin Concerto" to music by Barber and "Fearful Symmetries" to music by Adams; 8pm; Mar 1

■ DUBLIN

CONCERT

National Concert Hall Tel: 353-1-6711888
 ● Tito Beltran, Barbara Kilduff and Nicholas Folwell: the tenor, soprano and baritone with conductor Mary O'Flynn, the Cantári Avondale and pianist Brenda Hurley perform works by Bitez, Offenbach, Verdi, Flotow, Thomas, Bellini, Rossini and Donizetti; 8pm; Feb 28

■ EDINBURGH

CONCERT

Edinburgh Festival Theatre Tel: 44-131-5296000
 ● Die Fledermaus: by Johann Strauss (in English). Conducted by Nicholas Braithwaite and performed by the Scottish Opera; 7.15pm; Feb 25, 27; Mar 1

■ FLORENCE

CONCERT

Teatro Comunale Tel: 39-55-211158
 ● Die Walküre: by Wagner. Concert performance conducted by Semyon Bychkov, performed by the Orchestra e Coro del Maggio Musicale Fiorentino. Soloists include René Pape, Lothar Odinius and Schünck; 7.30pm; Feb 27, 28

■ FRANKFURT

CONCERT

Jahrhunderthalle Hoechst Tel: 49-69-3801240
 ● Sinfonia Versicolor: with conductor Yehudi Menuhin perform works by Schubert and Dvorák; 8pm; Feb 24

OPERA

Alte Oper Tel: 49-69-1340400
 ● Genoveva: by Schumann. Conducted by Peter Glikka and performed by the Frankfurter

44-171-3060055
 ● August Sander: major retrospective exhibition of the work of the German photographer August Sander. In a series of uncompromisingly direct photographs, Sander recorded rural and urban society in Germany both before and after the first world war.

The selection of 200 photographs on display, drawn from Sander's own collection, includes a high proportion of previously unseen images; from Feb 28 to Jun 8
 Tate Gallery Tel: 44-171-8878000
 ● Turner's Watercolour Explorations 1810-1842: display of Turner's watercolours selected from the Colour Beginnings collection; a group of 390 pieces, some highly abstract and many, until now, unidentified. The majority of the works are studies, sketches or explorations of effects but there are also a number of finished pieces, most famously "Loss of an East Indiaman", one of Turner's graphic shipwreck scenes; from Feb 25 to Jun 8

■ LOS ANGELES

EXHIBITION

Los Angeles County Museum of Art Tel: 1-213-857-6000
 ● The End of the Century: Prints Since 1970 from the Collection: exhibition featuring 90 primarily American prints produced since 1970. Included are works by artists responsible for the boom in contemporary printmaking such as Andy Warhol; works that demonstrate the renewed interest in figurative art, such as those of Keith Haring and conceptual art including Jeff Koons; from Feb 27 to May 18

■ GENEVA

CONCERT

Grand Théâtre de Genève Tel: 41-22-4183000

● Christoph Prégardien: performance by the tenor, accompanied by pianist M. Gees. The programme includes works by Schubert; 8pm; Feb 25

■ HAMBURG

CONCERT

Musiktheater Hamburg Tel: 49-40-346820

● Alfred Brendel: the pianist performs works by Schubert; 7.30pm; Feb 27

EXHIBITION

Museum für Kunst und Gewerbe Tel: 49-40-24862732

● Das Geheimnis der Mumien - Ewiges Leben am Nil: exhibition focusing on Egyptian mummies, their role and preparation, and the ways in which they were a source of inspiration to - and sought after by - Europeans from the 17th century onwards. It also looks at how modern research techniques are used to look at the inside of a mummy without destroying the linen wrapping; to Apr 20

■ HONG KONG

CONCERT

Concert Hall/HKCC Tel: 852-22734280

● Hong Kong Philharmonic Orchestra: with conductor Peter O'Young, the pianist Anne Meyer performs works by Bach and Mahler; 8pm; Feb 28

■ LEIPZIG

CONCERT

Gewandhaus zu Leipzig Tel: 49-341-12700

● Gewandhausorchester: with conductor Kurt Masur, soprano Noémie Nademann, alto Hana Minutillo, tenor Peter Schreier and Helmut Körtz, baritone Jörg Freier, the Rundfunkchor Berlin and the Gewandhaus-Kinderchor perform works by Janácek and Orff; 8pm; Feb 27, 28

■ MILAN

OPERA

Teatro alla Scala di Milano Tel: 39-2-88781

● Wozzeck: by Berg. Conducted by Glusmane Sinopoli, performed by the Orchestra e Coro del Teatro alla Scala. Soloists include Catherine Malfitano, Kim Begley, Franz Grundheber and Michael Howard; 8pm; Feb 28

■ NEW YORK

CONCERT

Carnegie Hall Tel: 1-212-247-7800

● Orchestra of St. Luke's: with conductor Robert Shaw and mezzo-soprano Denyce Graves and Florence Quivar, soprano Sylvia McNair and Jessye Norman, tenor Gregory Hopkins, pianist Norman Mackenzie and the Morgan State University Choir perform works by Bach, Copland, Brahms and Saint-Saëns; 7pm; Feb 27

■ HONG KONG

EXHIBITION

MOMA - Museum of Modern Art, New York Tel: 1-212-789-9400

● Fernand Léger: retrospective exhibition examining the work of the French artist who developed out of Cubism to produce realist works that captured the quality of the everyday experience and earned him a reputation as painter of the "heroism of modern life". 80 paintings and 50 drawings are on display; from Feb 25 to May 26

■ LEIPZIG

CONCERT

Gewandhaus zu Leipzig Tel: 49-341-12700

● Gewandhausorchester: with conductor Noémie Nademann, alto Hana Minutillo, tenor Peter Schreier and Helmut Körtz, baritone Jörg Freier, the Rundfunkchor Berlin and the Gewandhaus-Kinderchor perform works by Janácek and Orff; 8pm; Feb 27, 28

■ LONDON

ART & ANTIQUE FAIR

Royal Academy of Arts Tel: 44-171-4397438

● The London Original Print Fair: Europe's only specialist print fair features some 20 dealers from around the globe. It offers buyers a choice of artists' prints ranging from early Old Masters to contemporary artists. This year's fair plays host to a loan exhibition of 30 Rembrandt etchings from the Rembrandthuis, Amsterdam. The show covers Rembrandt's work, with biblical scenes, landscapes, self-portraits and nude studies; from Feb 27, 28; Mar 1, 2

■ PARIS

CONCERT

Salle Gaveau Tel: 33-1-49 53 05

● Sumi Jo: the soprano performs works by Vivaldi, Paisiello, J. Strauss, Benedict and Bellini; 8.30pm; Feb 24

■ TORONTO

EXHIBITION

Art Gallery of Ontario Tel: 1-416-979-6648

● Edward Munch's "The Scream" and Popular Culture: exhibition exploring the myriad ways Munch's internationally recognised icon of angst has been developed in popular culture to express social and political commentary; from Feb 26 to May 25

■ VIENNA

CONCERT

Musikverein Tel: 43-1-5058681

● Wiener Philharmoniker: with conductor Daniel Barenboim perform works by Mozart and Bruckner; 7.30pm; Feb 25

■ VIENNA

EXHIBITION

Graphische Sammlung Albertina Tel: 43-1-534830

● Barnett Newman - Druckgraphik: this exhibition - the first in Austria to be devoted to the American artist - features the complete graphic oeuvre of Barnett Newman (1905-1970), founder of the New York School of Abstract Expressionism. Like his paintings, Newman's graphic work, created in the 1960s, is characterised by monochrome colour fields and vertical stripes; from Feb 26 to Apr 20

■ WASHINGTON

EXHIBITION

Corcoran Gallery of Art Tel: 1-202-638-3211

● Milt Hinton: Jazz. Photographs: exhibition of photographs by Hinton who began taking pictures of his friends in the 1930s and developed his photography career as a hobby while touring as a freelance musician during the late 1920s and early 1930s. During six decades, his collection grew to over 40,000 images depicting an extensive range of



Arcadia

Land for jobs in Warminster

An English town is divided over a Honda development and protecting its rural fringe, says Roland Adburgham

If one stands on top of Arn Hill in Wiltshire, in the heart of southern England, the Bronze and Iron ages do not seem too remote. The hill may be crowned by a mobile telephone mast and a golf course, but the views stretch for miles across chalk Downs marked by the barrows and hill forts of early settlers.

It is possible to imagine, in a hazy sunlight, that the landscape has little changed.

True, those settlers would not have seen, immediately below Arn Hill, the town of Warminster – because the Saxons were responsible for that. It became a hustling corn market and wool town, with 30 cloth factories and 48 inns by the late 18th century. Then, this century, the military arrived in force, to set up engineering workshops and an infantry school close to the training grounds of Salisbury Plain.

Even so, Warminster remained a small town until recent decades when, as elsewhere in England, supine planners allowed house-builders to throw up brick

boxes without even an attempt at vernacular architecture. The population has more than doubled to about 17,000. A bypass, opened in 1988, has spared the town from another blight – through traffic – but the roar of vehicles is more apparent than birdsong on the top of Arn Hill.

Cars, as it happens, have created a quandary for Warminster. Honda, the Japanese motor company, wants to have a "vehicle enhancement" building and distribution base on land below Arn Hill. This would create about 150 jobs, most of them skilled, but would also require tarmacked land, floodlit at night, for no fewer than 7,000 cars.

The planning application has split the town. It is a common dilemma: in a crowded but picturesque part of the country, should ever more land be sacrificed to provide jobs for people inhabiting all those new houses permitted by the planners? Warminster is already under pressure from the government to accept another 450 homes by the year 2011.

Honda, which assembles 100,000 cars a year 40 miles away at Swindon, is not the villain. The company makes it clear: "If the community doesn't want us, we will go elsewhere." Its purpose is to change inefficient distribution in the UK. Instead of delivering cars to dealers to await sale, the vehicles would be moved by transporters to the distribution base. There, once sold, a car

would be fitted to the customer's specification and then delivered to dealers.

Lacking sufficient space at Swindon, Honda appointed consultants to find a suitable site. Warminster was one of a shortlist. The site has its merits: on the town's outskirts, near the bypass along which the transporters would trundle (a daily average of 38) and next to a railway which might be used in the future. A third of the land comprises Crusader Park, an unkempt and long-empty industrial estate. But Honda also needs some 20 acres of adjacent farmland.

Needless to say, many townsfolk are alarmed. Alastair Morrison, a partner of Cheney & Thorpe, the project's design consultant, is

adamant that landscaping would hide the vehicles. "I believe you would have to go up in an aircraft to see them," he insists. Some 8,000 trees would be planted, pools created to encourage wildlife and, at night, "wacky-wacky white" security lamps would be of low intensity to reduce light pollution.

"If you can come to terms with the loss of 20 acres of agricultural land, there will be a shot in the arm for the local economy," Morrison says. It is apparent that Warminster, like so many other small English market towns, could do with a shot. A safe

superstore has grabbed local trade; elsewhere, vacant premises, charity shops and takeaways give the place a down-at-heels air. The theatre is also expected to go into voluntary liquidation next week.

The town, however, has retained charm. Handsome stone houses are witness to past prosperity. There are many reminders of its history, and, at night, "wacky-wacky white" security lamps would be of low intensity to reduce light pollution.

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Although the only substantial commercial industry is in seafood processing, a few miles away there are hundreds of jobs at Longleat safari park and Center Parcs holiday village.

The town mayor, Helen Rowley, is concerned that, per acre, Honda will create few jobs. "I did think lovely, a factory is coming, but then I thought it's not really what we want," Elisabeth Collings, who chairs a residents' group, Action for Warminster, says. Approval would "open the floodgates for other development".

A town which has military establishments surrounded by razor-wired fences and signs warning "Armed guards patrolling" perhaps should not be too squeamish about a park for 7,000 cars.

"I would like something less intrusive but I don't think we can pick and choose," says Christopher March, also a councillor.

"You've got to have vision and think of the jobs that may follow in the wake of Honda." Those unconvinced by this vision argue that local unemployment has come down to under 5 per cent and there seems no immediate threat of a further retreat by the military.

The Milanesi are undergoing an identity crisis, prompted by changes to their aspiring city, says Paul Bettis

Metropolis

Delving deep beneath the mask

Many of the citizens of many other parts of Italy, the Milanesi are industrious and relatively disciplined. They are courteous, friendly and polite, if a trifle ostentatious and vulgar at times. That does not necessarily make them cosmopolitan, one of the characteristics of a real metropolis.

Unlike the citizens of

into Italy's answer to New York or Paris – there was even a ridiculous attempt to build an ice-rink in the middle of Piazza del Duomo to transform the famous cathedral square into a Milanese Rockefeller Plaza, and another aborted project to build a glass pyramid in Piazza della Scala to rival the Louvre's – Milan is today, as it has always been, provincial.

The mood these days in the capital of fashion is glum, introspective, unhappy. It is nothing to do with the depressing climate – the sun even shone for a few days last week and Via Manzoni, the main avenue between the Scala and the public gardens, basked for a little while in the red glow of a tropical sunset. It is that the Milanesi are undergoing an identity crisis. They have retreated behind the big wooden doors of their apartment buildings, not sure what to make of the changes taking place in their city.

During the phoney boom years of the 1980s, we considered ourselves citizens of the only true modern metropolis in Italy: not only fashion, but the industrial, financial and cultural heart of the country.

But like a Pirandello play, the reality was never quite what it seemed. For all the attempts to turn the city



Milan: smart and industrious but not quite cosmopolitan (Top) Schwartz

Many of Germi's films are masterful satires of Italian provincial life. On Sundays, those Milanesi who have not escaped to their country houses or to the ski slopes, or indeed to weekends in London or Paris, still dress

up to go to church and then buy sticky cakes to bring home to complete their lunch.

The city seems deserted. In the bars that are open radios crackle with football commentaries. Around the

cathedral and in the famous covered gallery, crowds parade aimlessly at a loss of how to enjoy themselves.

On weekdays the streets are busy, the traffic chaotic, but somehow there is not the same urgent rhythm of a big metropolis. Businessmen can be seen ambling in the golden triangle around Via della Spiga between groups of Japanese shoppers. And the expense account restaurants are not very busy; a marked change from the big spending years of socialist rule of the city.

There is nonetheless a little nostalgia for those bad old days. "Things have never been quite the same since Tangentopoli," a Milanese lawyer said. He was referring to the "Brussels" scandals that the city's magistrates unearthed a few years ago and sent the whole pack of cards, including the Socialist party, tumbling.

The separatist Northern

League mayor of Milan is

no Mayor Daley from Chicago, nor Jacques Chirac when he ran the Paris town hall. He is far from popular and appears to be fighting a losing

battle to be re-elected this year. The Northern League has been losing steam and its management of the city has impressed few of the gap between rich and poor has grown, few of the city's finest buildings have been spared from graffiti, the music is still good and the museums are struggling from underfunding, the rare parks are a disgrace.

Any metropolis needs strong and forceful local government to promote the social, cultural and economic conditions for it to thrive. Milan is desperately looking for a charismatic leader. It is not an easy choice. Some have spoken of the chairman of InterMilan, others of the head of the young industrialists association as possible future mayors. But the political parties at national and local levels are still bickering. And no clear favourite has emerged to win the Milan election on April 27.

Perhaps the most eloquent symbol of Milan's small-town politics is the sorry story of the Piccolo Teatro.

Its founder and driving

force, Giorgio Strehler, recently resigned after a long and unseemly argument with the city over funding and artistic content.

The Piccolo has always been regarded as Milan's effort to establish a theatre company of international standing. After years of campaigning, Strehler, one of this century's undisputed great theatre directors, finally persuaded the city to build a new theatre to house the company. The building is now completed but the mas-

ter has left and Jack Lang, the former French socialist minister and the late President François Mitterrand's culture guru, has been called in to the rescue.

Last month the new theatre was inaugurated by the city's Northern League fathers in the absence of Strehler. As they entered the foyer, they saw workers unwrapping boxes of laboratory paper. "That's really going too far," said one of the wives. She was reassured that no offence was meant, the paper was going to be used to construct an avant-garde sculpture.

A metropolis Milan certainly ain't a small-minded Clochardere perhaps. In any case, as the Italians like to say, "la commedia non è finita".

I was in a high-class

coffee dive in Beirut

the other day,

floundering away an

hour, when, by coincidence,

in swept Miss Lee, my

erstwhile executive

assistant, accompanied by a

gang of young male sports

stars. There were two South

American soccer players

with really big hair, a

Lebanese pentathlete, a

Canadian weightlifter, two

Czech swimmers, and so on.

They looked as fit as fleas

and all – this was clear –

were in thrill to Miss Lee.

When she was my

assistant Miss Lee ruled my

life with the truculence you

would expect of a

glamorous Thatchertite

Yankhrewoman, though

these days our paths seldom

cross. ("Thatchertite" is a

portmanteau word. It is

often wielded as a

pejorative, though in

Britain and elsewhere many

people use it as a synonym

for numerous sterling

qualities. In relation to

Miss Lee, I employ it in the

specialized sense of "Iron

Maiden" in a John Galliano

frock.)

"Elva, Miss Lee," I said,

waving a hand at hot gang

True Fiction

A fraction short of groovy

Michael Thompson-Noel tries to make it into Miss Lee's bonobo society

that things were changing

fast in the life of Miss Lee,

so I adopted a tone that I

often employ, one of

four-beefuddlement. "I've

lost it," I said. "What are

you doing here with 15

athletes? I know this is

ridiculous."

She said: "You never

change, Michael. But try to

be cool or you'll be out of

your depth. Between them,

these 15 boys own 17 world

sports titles and 16 world

records. But they're not just

testosterone. They are

charming and intelligent.

And all of them, Michael,

are employed by my

foundation."

"Foundation?" I queried

weakly, swirling my

cappuccino. "Here in

Beirut?"

"Here, there and

everywhere," responded

Miss Lee. "My foundation is

thoroughly international and

obviously well

endowed. We're here for a

seminar. Tomorrow we'll be

gone. Moscow, as I

happens, for a chat with

President Gaga."

It was dawning on me

that things were changing fast in the life of Miss Lee, so I adopted a tone that I often employ, one of four-beefuddlement. "I've lost it," I said. "What are you doing here with 15

athletes? I know this is ridiculous."

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Last week's interim results

Company	Sec	Half year to	Pre-tax (£'000)	Interim dividends per share (p)
Abtrust Preferred S	IntR	Feb	- (1)	3.25 (3.25)
Airbus	IntR	Dec	12,100 (10,200)	- (1)
Allied Carrors	IntR	Dec	9,030 (7,250)	2.5 (1)
BDC	IntR	Dec	182,700 (108,800)	- (1)
Bisca	IntR	Oct	1,220 (325)	- (1)
Bolton	Prop	Oct	5882 (224)	- (1)
Bord B & Isakson	IntR	Dec	4,700 (4,500)	- (1)
Brining Smaller	IntR	Dec	12,000 (10,500)	- (1)
Frangolin 1000	IntR	Dec	910 (520)	- (1)
Gartmore Stated S	IntR	Jan	58.8 (62.2)	2.45 (2.4)
Grosvenor Inv.	BP&R	Nov	1,100 (880)	3.025 (2.75)
Groupex Chex Comd	BP&R	Dec	1,310 (1,250)	1.0 (0.9)
Hegger (John)	Text	Dec	1,310 (1,000)	1.5 (1.5)
Hydro-Dynamics	AM	Dec	426 (1,030)	12 (1)
Micro 43	Spd	Dec	5,140 (5,900)	8.7 (8.3)
Pantheon Inv Part	IntR	Dec	322.2 (278.8)	- (1)
Pennine Inv VOT	IntR	Jan	1,957 (1,957)	2.5 (2)
Regent Inv	BP&R	Jan	5,980 (3,510)	1.0 (0.8)
Rexopex	Eng	Dec	771 (588)	- (1)
Second Alliance	IntR	Jan	2,338 (2,185)	15.5 (15.0)
TR Euro Growth	IntR	Dec	278.92 (268.40)	- (1)
Vertix	EMER	Dec	1,430 (1,240)	0.05 (0.05)

(Figures in parentheses are for the corresponding period.) Dividends are shown net per share, except where otherwise indicated. *Losses. 1 Net asset value per share. 2 3-month figures. 3 6-month figures. 4 US \$ per share and cents. 5 10-months to 31st May. Net assets per share. 6 Comparative for 10 months. 7 Comparative for 11 months. 8 Comparative for 12 months. 9 Comparative for 17 months. 10 27 weeks to Dec 29. 9 9-month figures. 11 Comparative pro forma. 12 Excludes special of 63.8p. 13 10-month figures. 14 14-week figures.

Results due next week

Company	Announce	Last year	Dividend (p)*	This year
	Sector	date	Interim	Final
FINAL DIVIDENDS				
Abbey National				
Access Plus	AMR	Thursday	7.25	8.7
Admiral	Spd	Tuesday	2.9	6.5
BSI Group	Spd	Thursday	-	-
Beta Global Emerging Mids	IntR	Thursday	-	-
Brains (IT & JR)	Eng	Friday	-	-
Brown Doggins Hedges	OffP	Wednesday	2.0	2.5
British Aerospace	Eng	Wednesday	5.0	6.25
British Gas	Gasd	Thursday	6.4	8.1
Capita Group	Spd	Tuesday	1.2	1.8
Capital Shopping Centres	Prop	Wednesday	3.5	3.75
Commercial Union	IntR	Wednesday	10.7	11.45
Crestcarron	IntR	Wednesday	0.29	0.58
Delphi Group	Spd	Wednesday	1.5	2.0
Dixon Motors	Dist	Monday	1,075	3,325
Estate & General	Prop	Monday	-	-
Fairway Group	PP&P	Wednesday	1.3	1.4
Green Resources	Prop	Thursday	0.013	0.013
Guardian Royal Exchange	IntR	Tuesday	2.1	5.9
Hargreave Group	IntR	Wednesday	0.020	0.021
Hibernian Group	ISA Inv	Wednesday	0.73	1.05
Interwest	PP&P	Wednesday	1.53	1.88
Jarmyn Inv Prop	Prop	Tuesday	2.0	2.4
Lasmo	QSE	Thursday	1.3	1.25
Leisure Service	Dist	Thursday	6.0	6.4
Liberty Int Hedges	OffR	Thursday	6.6	7.25
Mayflower Corp	Eng	Wednesday	0.67	1.33
Memory Corp	ADM	Thursday	-	-
Midwest Bank	Bank	Tuesday	8.4	16.9
North	Tran	Thursday	0.040	0.047
Pacific Assets Tst	IntR	Tuesday	-	-
RTZ Corporation	Exd	Thursday	10.5	21.0
Regal Hotel Group	Lei	Monday	-	0.5
Scotswood Inds	AM	Friday	-	0.5
Scottish Estates	IT	Tuesday	-	-
Scottish TV	Med	Tuesday	4.0	12.25
Santa Group	Spd	Tuesday	-	-
Shares Smaller Co's	IntR	Tuesday	-	-
Standard Chartered	BaLd	Wednesday	3.25	7.75
Stanford Rock Hedges	AM	Thursday	-	-
Trocadero	AM	Tuesday	-	-
United Industries	Eng	Friday	0.15	0.3
Vardon	Lei	Wednesday	0.4	1.25
Wimpey (George)	Spd	Tuesday	2.0	2.0
Zofeloms	Chen	Wednesday	1.8	3.6
INTERIM DIVIDENDS				
Almacs Group	Eng	Tuesday	2.45	5.55
Balfinch	IntR	Wednesday	-	-
Community Hospitals	IntR	Monday	3.4	6.8
Edis *	Spd	Friday	-	-
Gashouse Group	IntR	Monday	-	-
Harmen	IntR	Tuesday	2.35	2.35
Kidwelly High Inc	Spd	Wednesday	3.0	4.2
Logica	IntR	Wednesday	2.3	3.15
Pifco Hedges	Spd	Monday	0.7	2.0
Pizzaplex	IntR	Tuesday	-	-
Primedrive	Spd	Wednesday	3.5	7.0
Quarry Mtns Hedges	OffR	Tuesday	2.89	5.78
Renshaw	Exd	Wednesday	1.9	6.1
Shanks (Wes) Hedges	Lei	Tuesday	-	-
Thom *	Rein	Monday	-	-

(Dividends are shown net per share and are adjusted for any intervening scrip issue. Reports and accounts are not normally available until about six weeks after the board meeting to approve preliminary results. 1st quarter, 2nd quarter, 3rd quarter, 4th quarter, 5th Yearly dividend, 6th Hints and points. This list is not necessarily comprehensive since companies are no longer obliged to notify the Stock Exchange of imminent announcements.

Current takeover bids and mergers

Company	Value of bid	Offerer	Pre bid	Value of bid	Offerer
Active Imaging	104	60%	77%	78.98	TVX
Applus Westland	171%	170	129	9.5	BWG
Arabie	25%	20%	20.31	Hempsons Inds	
Burnfield	172%	176%	100	60.22	Farley Group
Capital Corp	178	194	177	17.89	London Clubs
Clubb	440	421%	419	1,241.6	Williams Hedges
Clyde Petroleum	120%	119	84%	493.69	Gulf Canada
Cook (Wm)	42%	421	375	80.81	Steel Castings
Gratus Group	176%	171%	125%	35.31	Headline Group
Lloyds Chemicals	52%	52%	5187	650.47	Seha
London Elect	70%	70%	663.4	1.23m	Entergy
Newman-Tunks	175%	178	181	223.82	Imperial-Rand
OGC Ind	119.3%	116%	116	72.8	Hoffmann
Pick Inv. Tel	124	126	117	46.17	UnderAssets Tst
Premier Uniting	179%	171%	157	23.70	Wellington Uwrg
Roper	144%	142	130	33.77	Jacobs Hedges
Scott Photonics	5%	57%	51%	7.45	Core Labs
Whessos	185%	154%	90	45.88	Slabs

Figures in parentheses unless otherwise indicated. *All cash offer. \$For capital not already held.

1 Unconditional. *Based on functioning prices 21/2/97. \$Shares and cash. % All shareholders who accept the offer may choose to receive loan notes for all or part of the cash consideration.

New issues

Birmingham's goal

Birmingham City this week became the latest football club to tempt investors, announcing plans for a £100m on the Alternative Investment Market, writes Christopher Price. The English first division club plans to raise £7.5m by selling 15m shares at 50p in a transaction that values it at £25m. Proceeds will finance a stadium redevelopment and player purchases.

The valuation is 3.3 times Birmingham's annual revenues of £7.4m, a rating below that of Sheffield United, a comparably-sized first division club. Pre-transfer profits last year were £203,000 but the club

showed a deficit of £2.7m after transfers. Birmingham are currently 19th in their division and analysts say its prospects depend on whether it can win promotion to the Premier League where income from television, merchandising and other commercial activities is higher.

Birmingham plans to reduce its playing squad from 33 to 23 by the start of the first full year as a listed company. Karren Brady, managing director, says the decision to release the out-of-contract players was made by Trevor Francis, the team manager, and was not linked to the flotation.

Last week's preliminary results

Company	Year	Pre-tax (£'000)	Earnings* per share (p)	Dividends* per share (p)
Anglo & Overseas	IntR	576.4	9.6 (9.07)	9.6 (7.8)
Arcon Int	Eda	214	475.4	0.07 (1)
Barclays	Bank	2,336	2,089	104.2 (52.6)
Boeing Trident	IntR	485.2	433.4	5.8 (4.9)
Brussels Airlines	AM	249	229	5.0 (4.5)
British	AM	263	154	22.2 (15.4)
Centrica	AM	1,029	1,028	3.2 (2.7)
Citi Corp	Prop	1,100	1,062	1.5 (1.5)
Clarendon	PP&P	2,200	2,092	36.8 (32.0)
Comsat	AM	12,200	11,900	2.0 (1.8)
Constar Trust	AM	905	776	4.0 (3.8)
Deutsche	AM	976	110	0.4 (1)
Electronics	AM	1,500	1,200	1.0 (1.0)
Exxon</td				

Weekend Investor

Wall Street

Nerves show despite inflation cheer

Greenspan's long shadow keeps traders on edge, reports John Authers

There's no pleasing some people. On Wednesday, Wall Street learnt that consumer prices had gained only 0.1 per cent in January. This was a third of the level which had been predicted by economists, and it confirmed that inflation was remaining at a steady, low level which had not been seen since the early 1960s. Combined with news of a widening trade gap, it seemed persuasive evidence that the economy could not be overheating, and helped the Dow Jones Industrial Average stage another incursion across the 7,000 barrier, setting a further all-time record.

A day later, though, more economic information had pushed both equities and the bond market into reverse. Jobless data for the second week of February suggested fewer people than usual were looking for work, with the number of new claims edging up by only 1,000. The bond market, in particular, took fright, working on the assumption that a tight labour market which forced companies to bid up the salaries they offered would alarm the Federal Reserve, arbiter of the nation's interest rates – more than any other single measure.

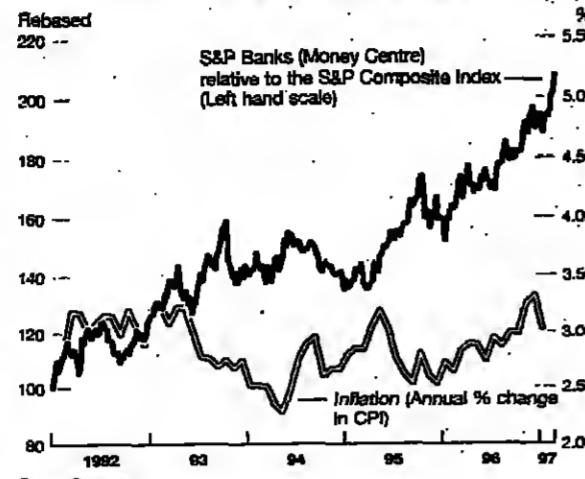
Yields on the benchmark 30-year treasury bond went beyond 6.6 per cent. That sent the Dow screaming back downwards below 7,000, and almost back through 6,900, its decline worsened by suggestions that high-tech companies were facing tighter price competition.

Suddenly, the long shadow of Alan Greenspan, chairman of the Fed, fell across the market.

Next week, he gives his annual testimony on monetary policy to Congress. And while inflation is under control for now, there are fears he will take the opportunity to voice his worries about the labour market and inflationary factors. Any drastic step by the Fed and the stock market, overvalued by most measures, would go into a sharp reverse.

Wall Street still does not seem to know how to deal with low inflation. As the graph shows, banks in particular have benefited from the stable environment, which has brought with it

Banks boom as inflation falters



the opportunity to widen their profit margins. As a result, their shares have outperformed the market considerably.

But Jeffrey Applegate, chief equity strategist at Lehman Brothers, published research this week reminding the market that history shows sustained low inflation can allow more generous stock valuations. He noted that from 1961 to 1965, the last period of sustained low inflation, the consumer price index rose at a rate of 1.3 per cent while price/earnings multiples remained above 18.

Today, the core consumer price index inflation is rising at about 2.6 per cent and the p/e multiple for the Standard & Poor's 500 is 19.6. According to Applegate, this suggests that the stock market appears to have gotten ahead of itself, but not wildly so.

This analysis implies that stocks could now be entering a trading range in which they oscillate around their present level for a while without necessarily powering forward. This would help to explain the volatility of the past three months, typified by this week's swings.

Low inflation has helped to recreate not only the valuations of the early 1960s but also the hostile corporate behaviour seen during the mid-1980s bull market. Armed with a generously valued share price – which, effectively, makes their currency stronger – companies can afford to make unwelcome approaches. Three separate hostile bids of more

than \$6bn are now underway.

These include the tangled bidding war for Conrail, a large eastern seaboard rail network, which is being waged by its only two serious competitors, CSX and Norfolk Southern; and Hilton Hotels' attack on ITT, owner of the Sheraton hotel chain and Madison Square Garden.

This week, A.F. Ahmannson, the nation's largest thrift, launched a hostile bid

worth more than \$5bn for Great Western Financial, the second largest. Thrifts are similar to UK building societies, making their money from mortgage lending and deposit-based savings accounts.

But this bid has none of the cosy mutual behaviour associated with building societies.

Ahmannson said it expected to close 25 per cent of the branches of the new combined company and then, in what could prove to be a disastrous public relations error, reassured its own employees that all their jobs were safe.

Wall Street investment

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All Index Setting: Sterling

Buy: Price: + - %

Sell: Price: + - %

Yield: %

Date: 2/22/97

Last Date: 2/21/97

Price: 100.00

Change: +0.00

Vol: 100

Market: Sterling

Price:

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SIB RECOGNISE

Unit Sales Selling Charge		Buying Price		+ or -%		Fees/Interest - Cont.	
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OTHER OFFSHORE FUNDS

WORLD STOCK MARKETS

Dow eases as derivatives expire

AMERICAS

Share price action varied on the US equity market yesterday morning, technology shares weakening while blue chip issues moved in a narrow range between positive and negative territory, writes *Lisa Bronstein* in New York.

Tech shares continued the slide begun on Thursday as the Nasdaq composite's largest components were weaker with Intel up 9.52 at 1,371.58, and the Pacific Stock Exchange technology index shed 1.1 per cent.

Unlike Thursday, however, losses among technology shares did not spill over into the broader market. Instead, both the Dow Jones Industrial Average and the

Standard & Poor's 500 were only modestly weaker. By 1pm the Dow was off 4.62 to 8,922.76 and the S & P 500 was 1.07 weaker at 801.73. NYSE volume came to 274m shares.

One factor behind the tech losses was yesterday's "double witching" expiration of share options and futures.

All four of the Nasdaq composite's largest components were weaker with Intel up \$1.47 at 1,371.58, and Cisco Systems down \$2.16 at 860.49 and Oracle falling 9.1¢ at 400.40.

Computer makers were also weak. IBM, which is a component of the Dow, shed \$1.16 at 1,389.46, Compaq Computer lost \$3.46 at 789.46 and

Gateway 2000 was \$1.16 lower at \$60.46.

Elsewhere, investors hammered Scholastic, the educational publishing company, after it said late on Thursday that it expected to report a third-quarter loss of 70 to 80 cents per share. By mid-day, shares in the company had fallen 2.25¢ or 41 per cent to \$26.46.

Several investment banks added to Thursday's losses. Morgan Stanley shed \$2.46 at 867.46, Donaldson Lufkin & Jenrette was \$1.61 weaker at 844.46, and Dean Witter Drexel improved to \$30.20, an increase of 45 cents.

Bre-X Minerals, a strong market lately on its Indonesian links, stood out against the trend, sliding \$1.50 to \$30.20.

"All the action was in golds. There was profit-taking among industrials," said one broker. Air Canada ran into obvious selling following a heavier loss in the final quarter of 1996. The stock shed 10 cents to \$37.80. The stock shed 10 cents to \$37.80.

two-way trading. At noon, the 300 composite index was up 4.42 at 6,209.49.

A rally for the bullion price was the main buy signal for golds and it sent the sector leaders sharply higher. Barrick Gold rose 35 cents to \$37.15 and Placer Dome improved to \$30.20, an increase of 45 cents.

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MEXICO CITY rallied modestly in the wake of Thursday's bout of profit-taking. "Wall Street is going nowhere this morning and the general lack of direction has washed over on to our market," said one broker. At mid-session, the IPC index was up 6.96 at 3,846.66.

SAO PAULO, down over the previous two sessions, continued to trade nervously after the central bank announced the closure of ten small financial institutions. At mid-session, the Bovespa index had eased to 66,960, a decline of 3.3%.

CARACAS rallied modestly during a morning session of light trading. At mid-session, the IBEX index was up 27.08 at 6,680.15.

Confidence ahead of Hong Kong transition

But there are some sceptics, says Louise Lucas

Hong Kong investors last week flipped on its head the market's desire to buy on the rumour, sell on the news.

For more than five years, stock markets in both Hong Kong and China were in the grip of periodic speculation that Deng Xiaoping, China's paramount leader, was dead or dying. Typically, the spurs of rumours drove share prices lower; subsequent glimpses of appearances or assurances from offspring helped prices rebound.

But last week's pattern had a novel twist: share markets in Shanghai, Shenzhen and Hong Kong fell in the early part of last week as the rumours percolated down from Beijing, and promptly rallied, or at least steadied, on Thursday - after he died.

The seemingly perverse 2.3 per cent rise on Hong Kong's benchmark Hang Seng index was attributed to traders covering short positions, and the removal of what had been a big uncertainty over the market.

ATHENS forged ahead to another all-time high, helped by strong results from the National Bank of Greece which jumped Dr785 to Dr26,500. The general index, which stood at 900 at the time of last November's broking scandal, rose 26.47 to 1,332.93.

But it was sufficient to prompt a self-congratulatory note around Exchange Square, the gleaming waterfront home to investment bankers and securities brokers, and across corporate Hong Kong.

Mr Victor Fung, chairman of the Hong Kong Trade Development Council, and, separately, of Prudential Asia, sums up the mood: "It's a mark of the vote of confidence in the well-planned transition Deng put in place that all the major markets in the region are up; there's no true indicator of confidence than the market."

Meanwhile, Spain's stock market commission, CNMV, filed a suit against Asturiana de Zinc, saying it had evidence which suggested the company had concealed a speculative position in the zinc market as of 1992. Asturiana filed Pta80 to Pta1,800, after a low of Pta1,730.

ZURICH consolidated, but derivatives-linked transactions on the expiry of options and futures underpinned the cash market and

da Costa, climbing Esc143 or 9.2 per cent to Esc1,703 on a report, which Soares denied, that the company was about to be taken over.

However, the BVL 30 index shed 21.76 at 2,592.86 as a failed speculative situation, Lissabon, dropped another Esc55 to Esc401 and as Sonae, the big retailing and real estate combine, fell Esc220 to Esc5,540 with reports of one big seller in the market.

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Mr Nick Moakes, head of research at NatWest Securities Asia and a former diplomat, anticipates a display of unity in Beijing until the 15th Party Congress in the final quarter of the year, but says that personnel manoeuvrings could mean that the needs of Hong Kong - brought forward by a relative newcomer in the form of Mr Tung Chee-hwa, the territory's post-colonial leader - are pushed down the priority list.

As such, there could be a ripple effect on the Hong Kong stock market shortly after the territory reverts to Chinese sovereignty on July 1, depending how investors perceive relative instability and uncertainty.

Mr Marc Faber, who runs a fund management company in Hong Kong and has a gloomy 10,000 year-end target for the Hang Seng index, was quick to call Thursday's

were gunning for the leadership transition, a few more sceptical voices warned that the removal of one uncertainty - when would Deng die? - had been stripped away only to reveal a fresh, and potentially darker uncertainty: how the succession in China will pan out.

Mr John Mulcahy, managing director at WI Carr in Hong Kong, notes that while markets went up, residual concerns remain: "It doesn't seem that there's been a

helping hand from the leadership transition, a few more sceptical voices warned that the removal of one uncertainty - when would Deng die? - had been stripped away only to reveal a fresh, and potentially darker uncertainty: how the succession in China will pan out.

In China the more volatile and much smaller B share markets - theoretically reserved for foreigners, but in practice heavily bought by local Chinese - both emerged from Thursday relatively stable.

Already faced with their own problems, including the reliance on illicit domestic investors and strong competition in the form of China shares listed on the more foreign-friendly Hong Kong stock exchange, the B share markets are expected to remain rocky terrain.

In Hong Kong, the China enterprises, or H shares, and mainland-backed companies, dubbed redchips, both put in healthy performances on Thursday. But analysts warn that these now voguish counters could become vulnerable if personalisation starts shifting in China, shunting today's well-connected companies out into the cold.

This did not deter investors on Thursday, however, when leading redchips like China Resources notched up 4 per cent gains compared with a 0.25 per cent improvement in the Hang Seng index.

With the economy rebounding, property prices climbing strong, many brokers have bullish forecasts for Hong Kong this year. But Deng's death introduces a new variable into the equation he devised.

As Mr Stephen Clark, managing director of Anglo-Chinese Corporate Finance, notes: "Of all the places in China, Hong Kong will be the most sensitive to disruption at the centre; we just are. We stood to benefit the most, and therefore now to lose the most."

Strong run for financials rescues Paris

EUROPE

Shares in PARIS eased for the fourth day running, but a strong run for financials left the CAC 40 well off its day's low at 2,562.84, down 12.40.

There was an upturn of takeovers gossip around the AIG insurance group and selected banks were aggressively bought following BNP's early morning meeting with analysts.

Bancaire gained FF74.29 or 4.3 per cent to FF770.8 and BNP jumped 4.6 per cent to FF749.90, a rise of FF11.01. Speculation on a bid for AIG from Allianz, the German giant, sent the French insurer up by FF6.80 to FF706.

Among smaller financials, Worms leaped almost 9 per cent on renewed speculation about the disposal of its Athena insurance unit. The stock closed up FF40.50 at FF713.

Accor rose FF11.0 to FF755 after Morgan Stanley initiated coverage of the hotels leader with a "strong buy" recommendation. Michelin dipped FF21.10 to FF734.50 on news of French job losses.

Oil stocks eased on weaker crude prices. Elf Aquitaine, which was widely expected to produce bumper interim results next Wednesday, shed FF9 to FF545.

FRANKFURT came back from a low of 3,164.51 as the Dow and the dollar improved in the US mid-morning, to close with the Dax index 6.70 higher at an Ibdx-indicated 3,203.70. Turnover fell again, from DM11.3bn to DM10.5bn.

Broker recommendations carried some weight. In banks, Dresdner rose 9.6 pfg to DM54.95 after Westdeutsche Landesbank, in Düsseldorf, raised its share price forecast to between DM60 and DM63 on a six-month horizon.

Dresdner Kleinwort Benson, meanwhile, upgraded

THE WEEK'S CHANGES

	% Change
Athens	+7.7
Zurich	+1.3
Amsterdam	+1.2
Lisbon	+0.1
Frankfurt	-1.4
Madrid	-2.1
Paris	-2.5

Schering which rose DM5.45 or 3.9 per cent to DM146.70, while a Goldman Sachs lift for Ving took the utilities-based group up DM17.20 to DM706.70.

In mid-caps the sporting group, Puma, eased 60 pfg to DM61.50 on a third year of record profits. However, the shares had risen previously by over 30 per cent in 16 days, peaking yesterday at DM30.70.

ZURICH consolidated, but derivatives-linked transactions on the expiry of options and futures underpinned the cash market and

Seoul off 3.4% on interest rate fears

ASIA PACIFIC

Worries about rising interest rates compounded the fears about border tensions which hit SEOUL early in the week, and the composite index shed another 3.4 per cent, closing 24.41 lower at 668.72.

The interest rate concerns stemmed from news that the Korea Securities Dealers Association had received a record Wons 910bn worth of new corporate bond issue applications for next month. Yields on three-year corporate bonds approached 12.50 per cent, compared with from Thursday's close of 12.32 per cent.

SHANGHAI and SHENZHEN speculated on the belief that the death of Deng Xiaoping had removed a negative factor from the stock markets, and the B share indices rose by 0.84% or 1.4 per cent to 65,569, and by 7.43 or 5.2 per cent to 150.96 respectively.

TOKYO ended with a slight decline in the Nikkei, as investors dumped

blue-chip exporters in favour of banks and real estate plays, writes Jonathan Arnells.

The 225 average drifted 17.17 lower to 19,034.94 after moving between 18,195.16

and 19,173.49. Construction and property shares surged ahead, following the construction ministry's proposal on Thursday to relax restrictions on building-to-land ratios in urban areas.

Banks extended their rebound, triggered by a press report on Thursday that the government might use public money to buy collateralised land to alleviate their bad debt problems.

But the dollar's drop below

rose 51.01 to 19,812.86 in volume of 83m shares.

BOMBAK took a spate of speculator sell orders and the BSE 100 index dropped 54.91 or 1.6 per cent to 3,439.49. Lower profits knocked 10 per cent off Procter & Gamble's shares, and 9.7 per cent off Philips India.

AUCKLAND featured a sharp fall in Telecom which lost 25 cents or 3.6 per cent to NZ\$36.60 after a fund manager reduced its exposure to the shares.

The NZX-40 Capital index gained 24.32 to 2,301.63 in turnover of NZ\$450m, with more than half of that in Telecom.

TAIPEI closed at a six-year high in frantic trade, reflecting a bullish economic outlook following the announcement of high gross domestic product growth for the fourth quarter.

The weighted index climbed 113.15 or 1.6 per cent to 7,791.19 in turnover of T\$616.9bn (US\$6.05bn), its highest total since the T\$185.9bn of January 6, 1994.

On the losing side, Sony fell Y140 to Y80, and TDK finally bowed to profit-taking pressure, plunging Y260 to Y8,040. Toyota dropped Y40 to Y3,200.

In Osaka, the OSE average

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Details of business done below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission. The date is now delivered by Emtel, part of Financial Times Information. Details relate to those securities not included in the FT Share Information Services.

The prices are those at which the business was done in the 24 hours up to 5.15pm on Thursday, they are not in order of execution but in ascending order which denotes the day's highest and lowest trades.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

The size of individual deals are rounded to the nearest thousand and represented within parentheses, where available.

Bargains at special prices. * Bargains done the previous day.

British Funds, etc

Trust 1154 1/2000 51145 (1996/97)
Conversion Pfd 5% Cum 2001-11 11545 (1996/97)
Exchequer 12% 1996-97 11545 (1996/97)
Exchequer Pfd 5% 1996-97 11545 (1996/97)
Treasury 10% 500 2004-21 11545 (1996/97)
Treasury 10% 500 2003-04 11545 (1996/97)
Exchequer 12% 500 1997-98 11545 (1996/97)
Exchequer 12% 500 1997-98 11545 (1996/97)

Annutes 2% 500 1997-98 11545 (1996/97)

Corporation and County Stocks

Blaenau Corp 3% 1st Shs - 43 11545 (1996/97)
Bristol City 11% Red Shs 2000-1234 11545 (1996/97)
Mayors Corp 2% Red Cons Shs 1928-37 11545 (1996/97)

UK Public Boards

Cooperates Ltd 3% Inv Shs - 37 11545 (1996/97)
Citygen Operation Ltd 4% Inv Shs - 50 11545 (1996/97)
Majestic Water Southwicks & Vauxhall Water 3% Div Shs - 75 11545 (1996/97)
Metropolitan Water Board 10% Cum Div Shs 1928-37 11545 (1996/97)

Foreign Stocks, Bonds etc

Coupons Payable in London BAA PLC 5% Cntr Bds 2000-1074 11545 (1996/97)
Cochlear Corp PLC 1% Inv Pfd Sub 12500000-13500000 11545 (1996/97)

National Westminster Bank PLC 11% Inv Sub Shs 2100000 (Cntr to Pfd - 1214) 11545 (1996/97)

Tarmac Finance Jersey PLC 9% Cntr Cap Bds 4400000 (Reg - 10545 (1996/97)
United Press & Media PLC Inv Sub Cntr Bds 2000000 (Reg - 95.7 11545 (1996/97)

Debt Issuance Programmes

Boat & Searay Building Socy Coll Pfd Reg No 2000 Gp Shs 1000000 11545 (1996/97)
Haberdashers' Socy Coll Pfd Reg No 2003 Gp Shs 1000000 11545 (1996/97)

Sterling Issues by Overseas Borrowers

Danmark (Kronen of) 13% Ln Shs 2005-1234 11545 (1996/97)
European Investment Bank 9% Ln Shs 2001 (Regd - 106% 11545 (1996/97)
Euro 5% 3 1/2 1997-98 11545 (1996/97)
Euro 5% 3 1/2 1998-99 11545 (1996/97)
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Euro 5% 3 1/2 2007-2008 11545 (1996/97)
Euro 5% 3 1/2 2008-2009 11545 (1996/97)
Euro 5% 3 1/2 2009-2010 11545 (1996/97)
Euro 5% 3 1/2 2010-2011 11545 (1996/97)

Listed Companies (excluding Investment Trusts)

Abercrombie PLC 10% Non-Cum Shg Pfd 1000000 11545 (1996/97)
Abell Group PLC 7% Cntr Pfd 1000000 11545 (1996/97)

LONDON STOCK EXCHANGE - DEALINGS

British Petroleum Co PLC 9% Cum 2nd Pfd 1% 84 (1996/97) Academy Group PLC ADR 1000000 11545 (1996/97) 85 (100) 20 24/25 (1996/97) 11545 (1996/97) 86 (100) 20 24/25 (1996/97) 11545 (1996/97) 87 (100) 20 24/25 (1996/97) 11545 (1996/97)	Co-operative Wholesale Society Ltd Pfd 1st Mtg Div Pfd 1000000 11545 (1996/97) Co-operative Wholesale Society Ltd 2nd Inv Cntr Red Cntr Pfd 1000000 11545 (1996/97)	Hampton Trust 5% (Net) Cum Cntr Red Pfd £1 122 (1996/97) Hampton Trust 5% (Net) Cum Cntr Red Pfd £1 125 (1996/97) 11545 (1996/97)	Northern Foods PLC 5% Inv Cntr Sub Bds 2000000 11545 (1996/97)	Stobart Estates PLC 12% Inv Ln Shs 2000-1234 1234 (1996/97)
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Japan cities to get US-style shopping in \$3bn venture

By Christopher Parkes
in Los Angeles

Japanese shoppers are to be treated to their first taste of US-style leisure shopping through a \$3bn joint venture between two Californian property specialists and an alliance of Japanese banks, retailers and industrial groups.

Plans for four retail-cum-entertainment centres in the Tokyo and Osaka areas include Japanese and US stores with cinemas, restaurants offering international cuisine, fitness clubs, indoor "rock-climbing" and roller-skating rinks.

The first centres – one outside Tokyo and a complex near Osaka – could be open by late 1998, according to WPI Koll, the main US participant.

They would be followed by

themed malls – one close to Osaka's main access link to Kansai Airport and another on the city's waterfront.

The partners, aiming to build between 10 and 20 centres in Japan in the next decade, hope to develop the concept in other Asian markets.

WPI Koll is a joint venture between the publicly-traded Koll Real Estate Group, which manages 185m sq ft of retail and commercial properties in the US and Asia, and World Premier Investments, a Santa Ana mall developer.

Japanese interests are being co-ordinated by Mega-Mall Systems Japan, a new umbrella company in which WPI Koll has a minority stake.

Partners and investors include retailers Seibu and Daitai, Fuji Bank and Nippon Steel.

Contracts for the four initial

sites have been signed, Mr Andrew Sun, WPI Koll chairman, said yesterday.

US participants include SportsClub of Los Angeles and Wolfgang Puck, the mass-market restaurant group.

Mr Michael Talla, SportsClub chairman, said the project had lowered the costs of entry into the Japanese market and made the logistics of his company's first international venture manageable.

WPI Koll officials said negotiations were continuing with clothing specialists, such as Gap and Eddie Bauer, and the AMC cinema chain. Efforts would be made to attract European participants.

Japanese retailers and entertainment companies were expected to fill 50-60 per cent of the space in each centre.

Mr Sun said WPI Koll was

approached from Japan, where department store chains are under pressure to develop new retailing formulas.

Declining land prices and the increasing international tastes of Japanese consumers had encouraged the US partners to investigate further.

Japanese visitors, once renowned as the most avid shoppers for western luxury goods, are among the biggest spenders in so-called "value malls" in Hawaii and California's tourist destinations.

Although retailing centres were not new to Japan, the diversity to be found in US entertainment malls was largely unknown, Mr Sun added. One recent venture, the US-designed Canal City Hakata in Fukuoka, drew more than 4.5m customers in the two months after opening.

The writing has been on the wall for Club Med for some time now. Yesterday's announcement of a net FFr745m loss following restructuring charges of FFr820m was not expected, but can hardly count as a huge shock in a decade where the group has found it easier to lose money than make it. Tough market conditions have contributed to its difficulties, but the problems go much deeper. Originally associated with fit, young people revelling in the sun and sea, the concept has looked increasingly middle-aged in recent years.

The appointment of Mr Philippe Bourguignon was good news. Having presided over a successful turnaround at Euro Disney, he looks a better bet to rehabilitate Club Med than his predecessor, Mr Serge Triago. He starts with considerable strengths: a strong brand, well-trained staff, and many valuable assets. There is an underlying profit stream to be built upon, which will be helped by the recovery in the French economy. And the write-offs aside, yesterday's results were disappointing rather than catastrophic.

But much remains to be done, even after yesterday's announcement that the group is to rationalise its portfolio. The biggest challenge is to relaunch the concept, casting off the air of stagnation. But

Mr Bourguignon

will also have to

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